



**Annual General and Special Meeting of Shareholders  
to be held Thursday, November 17, 2022**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

September 30, 2022

**YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.**  
**Shareholders who have questions or require voting assistance may contact the Company**  
**Toll Free Number: 1-888-728-1832**  
**Email: [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com)**

Voting Method	Registered Securityholders If your securities are held in your name and represented by a physical certificate or DRS statement.	Non-Registered Shareholders If your shares are held with a broker, bank or other intermediary
	Go to <a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a> . Enter the 12-digit control number printed on the form of proxy and follow the instructions on screen.	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the VIF and follow the instructions on screen.
	Complete, date and sign the proxy and fax it to 416-595-9593	Complete, date, and sign the VIF and fax it to the number listed on the VIF.
	Enter voting instructions, sign and date the form of proxy and return your completed form of proxy in the enclosed postage paid envelope to: <b>TSX Trust Company Suite 301, 100 Adelaide Street West Toronto, ON M5H 4H1</b>	Enter your voting instructions, sign and date the VIF, and return the completed VIF in the enclosed postage paid envelope.

In light of the ongoing COVID-19 pandemic, we strongly encourage all shareholders to vote in advance of the Meeting, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person. Instructions for voting in advance of the Meeting are included above. To mitigate the risks related to COVID-19, shareholders who are eligible to vote at the meeting, and who would prefer to vote in person, are asked to contact the Company at [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com) to discuss their options. **Registered shareholders who attend the meeting to vote without having first made arrangements with the Company to do so safely and in compliance with applicable Provincial health directives will not be permitted to vote in person, however representatives from the Company will be available to assist any such registered shareholder with remote voting via the dial-in coordinates below.**

Shareholders wishing to call into the Meeting can do so at 10:00am (Pacific Time) on the date of the Meeting through the following:

<https://cozen.zoom.us/j/84153792391?pwd=YVFPeGwzRXRYcGgzNGd1TVVYvaVVSUT09>

Dial in: +1 780 666 0144 (Canada)

Meeting ID: 841 5379 2391

Passcode: 547715

Find your local number: <https://cozen.zoom.us/j/84153792391?pwd=YVFPeGwzRXRYcGgzNGd1TVVYvaVVSUT09>



Unit 400 – 257 Adelaide Street West  
Toronto, ON M5H 1X9

## **PATRIOT ONE TECHNOLOGIES INC.**

### **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO: THE SHAREHOLDERS OF PATRIOT ONE TECHNOLOGIES INC.

NOTICE IS HEREBY GIVEN THAT the 2022 annual general and special meeting (the “**Meeting**”) of the shareholders of Patriot One Technologies Inc. (the “**Company**”) will be held at the office of Cozen O’Connor LLP, Bentall 5, 550 Burrard St, Suite 1008, Vancouver, British Columbia, V6C 2B5, on Thursday, November 17, 2022, at 10:00 a.m. (Pacific Time) for the following purposes:

1. To receive and consider the financial statements of the Company for the fiscal year ended July 31, 2022 and the report of the auditor thereon.
2. To set the number of directors for the ensuing year at six (6).
3. To elect directors for the ensuing year.
4. To appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought advisable, to approve with or without variation, an ordinary resolution re-approving the Company’s omnibus equity incentive plan, as amended (the “**Omnibus Plan**”), the full text of which is attached as Schedule A to the accompanying Information Circular of the Company dated September 30, 2022 (the “**Information Circular**”), and all unallocated awards thereunder, as more particularly described in the accompanying Information Circular.
6. To consider and, if thought advisable, to approve with or without variation, an ordinary resolution approving the Company’s Advance Notice Policy, the full text of which is attached as Schedule B to the accompanying Information Circular.
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

This Notice is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

#### **Notice-and-Access**

The Company has decided to use the notice and access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of this Information Circular to shareholders for the Meeting. Under the Notice-and-Access Provisions, instead of receiving printed copies of the Information Circular, shareholders will receive a notice with information on the Meeting as well as information on how they may access the Information Circular electronically and how they may vote.

The Company will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package and not to others. In relation to the Meeting, all shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

Shareholders can request that printed copies of Meeting materials to be sent to them by postal delivery, at no cost to them, up to one year after the date the Information Circular was filed on SEDAR by calling the Company toll-free 1-888-728-1832.

#### **Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a set of rules that allow reporting issuers to post electronic versions of meeting-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Information Circular, consolidated audited financial statements of the Company for the year ended July 31, 2022 and Management’s Discussion & Analysis of the Company’s results of operations and financial condition for the year ended July 31, 2022 may be found on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) or at <https://docs.tsxtrust.com/2266>.

#### **Shareholders are Reminded to Review the Information Circular Before Voting and to Vote in Advance of the Meeting**

In light of the ongoing COVID-19 pandemic, we strongly encourage all shareholders to vote in advance of the Meeting, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person. Instructions for voting in advance of the Meeting are included below. To mitigate the risks related to COVID-19, shareholders who are eligible to vote at the meeting, and who would prefer to vote in person, are asked to contact the Company at [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com) to discuss their options. **Registered shareholders who attend the meeting to vote without having first made arrangements with the Company to do so safely and in compliance with applicable Provincial health directives will not be permitted to vote in person; however, representatives from the Company will be available to assist any such registered shareholder with remote voting via the dial-in coordinates below.**

Shareholders wishing to call into the Meeting can do so at 10:00am (Pacific Time) on the date of the Meeting through the following:

<https://cozen.zoom.us/j/84153792391?pwd=YVFPeGwzRXRYcGgzNGd1TVYvaVVSUT09>  
Dial in: +1 780 666 0144 (Canada)  
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Passcode: 547715

Find your local number: <https://cozen.zoom.us/j/84153792391?pwd=YVFPeGwzRXRYcGgzNGd1TVYvaVVSUT09>

The Board of Directors of the Company has fixed the close of business on September 30, 2022, as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 a.m. (Pacific time) on Tuesday, November 15, 2022, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof must be deposited with the Company’s registrar and transfer agent, TSX Trust Company.

If you have any questions or require any assistance in completing your proxy, please contact the Company by telephone toll-free at 1-888-728-1832, or by email at [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com).

DATED at Vancouver, British Columbia, as of September 30, 2022.

#### **PATRIOT ONE TECHNOLOGIES INC.**

By: */s/Peter Evans*  
**Peter Evans, Chief Executive Officer**

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## PATRIOT ONE TECHNOLOGIES INC.

### INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of September 30, 2022.

This Information Circular is in respect of the annual general and special meeting (the “**Meeting**”) of the shareholders of Patriot One Technologies Inc. (the “**Company**”) to be held on November 17, 2022, at the time and place set out in the accompanying Notice of Meeting. **This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and any adjournment of the Meeting.** The Board of Directors of the Company (the “**Board**”) has fixed the close of business on September 30, 2022, as the record date (the “**Record Date**”), being the date for the determination of the registered holders of common shares of the Company (“**Shares**”) entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The Company is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for distribution of this Information Circular to both registered and non-registered (or beneficial) shareholders of the Company. Further information on notice-and-access is contained below under the heading “*Notice-and-Access*” and shareholders are encouraged to read this information for an explanation of their rights.

In light of the ongoing COVID-19 pandemic, we strongly encourage all shareholders to vote in advance of the Meeting, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person. Instructions for voting in advance of the Meeting are included above. To mitigate the risks related to COVID-19, shareholders who are eligible to vote at the Meeting, and who would prefer to vote in person, are asked to contact the Company at [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com) to discuss their options. **Registered shareholders who attend the meeting to vote without having first made arrangements with the Company to do so safely and in compliance with applicable Provincial health directives will not be permitted to vote in person, however representatives from the Company will be available to assist any such registered shareholder with remote voting via the dial-in coordinates below.**

Shareholders wishing to call into the Meeting can do so at 10:00am (Pacific Time) on the date of the Meeting through the following:

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### PROXY INSTRUCTIONS

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#### MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the form of proxy.** To exercise this right, the shareholder must either:

- (a) on the form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder’s nominee in the blank space provided; or
- (b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarized copy of the power of attorney or other authority, must be delivered to TSX Trust Company (“**TSX Trust**”), 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1; fax: 416-361-0470, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. TSX Trust also offers voting via the internet and by phone. Instructions for Internet voting can be found on the enclosed form of proxy or voting instruction form.

## **REVOCABILITY OF PROXIES**

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:
  - (i) signed by the shareholder, the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and
  - (ii) delivered to TSX Trust or to the Company’s registered and records office at Bentall 5, 550 Burrard St, Suite 1008, Vancouver, British Columbia, V6C 2B5, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or
- (b) in any other manner provided by law.

## **EXERCISE OF DISCRETION BY PROXYHOLDERS**

A shareholder may indicate the manner in which the persons named in the form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given in the proxy.**

**If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the form of proxy. It is intended that the proxyholder named by management in the form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy.**

The form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those set out herein and referred to in the Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the form of proxy intend to vote on them in accordance with their best judgment.

## **SOLICITATION OF PROXIES**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, or by telephone or email by regular employees or agents of the Company. Pursuant to NI 54-101, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Shares. The cost of solicitation of proxies will be borne by the Company.

## ADVICE TO BENEFICIAL SHAREHOLDERS

THE INFORMATION SET FORTH IN THIS SECTION IS OF SIGNIFICANT IMPORTANCE TO YOU IF YOU DO NOT HOLD YOUR COMMON SHARES IN YOUR OWN NAME. ONLY PROXIES DEPOSITED BY SHAREHOLDERS WHOSE NAMES APPEAR ON OUR RECORDS AS THE REGISTERED HOLDERS OF COMMON SHARES CAN BE RECOGNIZED AND ACTED UPON AT THE MEETING. YOU ARE A “**BENEFICIAL SHAREHOLDERS**” IF YOUR COMMON SHARES ARE LISTED IN YOUR ACCOUNT STATEMENT PROVIDED BY YOUR BROKER INSTEAD OF REGISTERED IN YOUR NAME ON OUR RECORDS. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The Company has delegated responsibility to mail a scannable voting instruction form (“**VIF**”) in lieu of the form of proxy to TSX Trust Company. You are asked to complete and return the VIF to them by mail or facsimile. Alternatively, you can use their website [www.voteproxyonline.com](http://www.voteproxyonline.com) or call their toll-free telephone number to instruct them how to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of shares to be represented at the meeting.

Beneficial Shareholders who have not objected to their nominee disclosing certain ownership information about themselves to us are referred to as non-objecting beneficial owners (“**NOBOs**”). Beneficial Shareholders who have objected to their broker/nominee disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“**OBOs**”). Intermediaries are required to forward the meeting materials to Beneficial Shareholders unless in the case of certain proxy-related materials the Beneficial Shareholder has waived the right to receive them. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs to ensure that their securities are voted at the Meeting.

Should a Beneficial Shareholder wish to attend and vote at the Meeting or have another person attend and vote in person on your behalf, Beneficial Shareholders should enter their own names or the names of their desired proxyholder in the blank space on the form of proxy or voting instruction form provided to them and return the same to their intermediary in accordance with the instructions provided by intermediary well in advance of the Meeting.

## **UNITED STATES SHAREHOLDERS**

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being affected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value (each a “Share”). All issued Shares are entitled to be voted at the Meeting and each Share has one vote. As of September 30, 2022, there were 163,179,222 Shares issued and outstanding.

At the Meeting, a quorum exists if at least one person entitled to vote is present at the Meeting and being or representing by proxy, two or more shareholders entitled to vote at the meeting. If a quorum is not present at the Meeting, the shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

Only shareholders of record on September 30, 2022, will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote at the Meeting or in any other circumstance.

## **NOTICE-AND-ACCESS**

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The Company has decided to use the Notice-and-Access Provisions under NI 54-101 and NI 51-102 for the delivery of this Information Circular to shareholders of the Meeting. Under the Notice-and-Access Provisions, instead of receiving printed copies of this Information Circular, shareholders will receive a notice with information on the Meeting as well as information on how they may access the Information Circular electronically and how they may vote.

The Company will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package and not to others. In relation to the Meeting, all shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

Shareholders can request that printed copies of Meeting materials to be sent to them by postal delivery, at no cost to them, up to one year after the date the Information Circular was filed on SEDAR by calling the Company toll-free at 1-888-728-1832.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

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None of the directors or officers of the Company, nor any person who has held such a position since the beginning of the last completed fiscal year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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During the Company's fiscal year ended July 31, 2022, no informed person of the Company, proposed director of the Company or associate or affiliate of an informed person or proposed director, had a material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; or (d) the Company itself, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## **PRESENTATION OF FINANCIAL STATEMENTS**

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The financial statements of the Company for the fiscal year ended July 31, 2022, will be placed before shareholders at the Meeting. Copies of these financial statements, together with the auditor's report thereon, and management's discussion and analysis, were mailed to those shareholders who returned the request for annual and interim financial statement return card mailed to shareholders in connection with the Company's 2021 annual general meeting and indicated to the Company that they wished to receive same. The financial statements and management's discussion and analysis are also available for review on SEDAR. See Section entitled "OTHER INFORMATION – Additional Information" below. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements.

## **ELECTION OF DIRECTORS**

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### *Setting the Number of Directors*

Management proposes to nominate the persons named under the heading "Nominees for Election" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or that the individual becomes disqualified to act as a director. It is proposed to set the number of directors at six (6). This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

**Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at six (6).**

### *Nominees for Election*

The Board of the Company presently consists of six (6) directors. At the Meeting, it is proposed to approve the number of directors elected at six (6) to hold office until the next annual general meeting or until their successors are duly elected or appointed. **Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Proxy will vote FOR the election of the six (6) nominees whose names are set forth below.**

Management does not contemplate that any of the following nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The tables below set forth, among other things, the name, province and country of residence, present office held, period served as a director, director attendance record, skills assessment and principal occupation during the last five (5) years for each proposed director. The Board has several committees being an Audit Committee, a Governance and Nomination Committee, and a Compensation and Human Resources Committee ("**Compensation and HR Committee**"). Members of the respective committees and related information are also set out below. The information concerning the proposed directors has been furnished by each of them.

### Peter van der Gracht - Chair & Director | British Columbia, Canada



Director Since:  
July 10, 2018

Mr. van der Gracht is a successful start-up veteran, with over forty years of experience leading companies through multiple financings, operational build-outs, acquisitions, mergers and buy-outs. Mr. van der Gracht has spent his career addressing the challenge of accelerating the adoption of new technologies in many industries. He has in the past or is currently, chairman, director, consultant or investor of over twenty for-profit organizations. Mr. van der Gracht supports the following not-for-profit organizations, Entrepreneurship@UBC, a University of British Columbia seed-stage investment fund and program and Alacrity Foundation, a not-for-profit start-up foundation. In the past, Mr. van der Gracht supported two Federal Government activities. He was a member of the Science, Technology and Innovation Council and he was the Global Industry Advisor for Global Affairs Canada. Mr. van der Gracht holds a Master's degree in Electrical Engineering from the University of British Columbia and is the recipient of multiple awards for entrepreneurship. Mr. van der Gracht is currently the Chair of the Company's Board of Directors.

#### Securities Held

Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
82,000	Nil	\$38,130	250,000	\$38,130

#### Current Board and Committee Positions, Membership and Attendance<sup>(6)</sup>

Independent Chair of the Board	Board Meetings Attended 2022: 11/11 - 100%
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#### Skills Matrix

Managing / Leading Growth; Human Resources / Executive Compensation; Marketing Strategies, Communication and Stakeholder Engagement; Government Relations, Legal and Regulatory; Leading Operations and Deployments; Security Industry; Information Technology, AI, Cyber Security; Public Company Board and Governance; Financial Literacy; Risk Management and Compliance Oversight; Capital Markets

### Peter Evans - CEO & Director | Florida, USA



Director Since:  
December 10, 2020

Mr. Evans has over 25 years of driving growth for disruptive high-tech companies. He has successfully served as CEO, COO, CMO, and other executive leadership roles in leading sales and strategic partnerships. As a high-tech CEO, Mr. Evans has demonstrated repeated success in driving revenue growth and accelerated profitability, by delivering innovative solutions to target markets. He has worked with aggressive Venture backed start-ups, and large-scale, global Fortune 500 brands leading organizations' digital transformation and innovation activities for customers in the Telecom, Cloud, SaaS, and Cybersecurity industries. Mr. Evans is a noted public spokesperson, and has led the acquisition of three private companies, and participated in the acquisitions of two publicly-traded companies.

#### Securities Held

Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
251,400	Nil	\$116,901	1,770,000	\$116,901

#### Current Board and Committee Positions, Membership and Attendance<sup>(6)</sup>

Member of the Board	Board Meetings Attended 2022: 11/11 - 100%
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#### Skills Matrix

Managing / Leading Growth; Security Industry; Information Technology, AI, Cyber Security; Human Resources / Executive Compensation; Marketing Strategies, Communication and Stakeholder Engagement; Leading Operations and Deployments; Financial Literacy; Risk Management and Compliance Oversight; Government Relations, Legal and Regulatory

### John Gillies - Director | British Columbia, Canada

 Director Since: May 30, 2017	<p>Mr. Gillies brings over thirty-three years of federal government experience, principally within the national and international security and intelligence environment during which time Mr. Gillies served as an Assistant Director with the Canadian Security Intelligence Service (“CSIS”) and as a member of the CSIS Senior Executive Committee. Past duties within CSIS include extensive experience in both the counter-intelligence and counter-terrorism sectors in various roles with a focus in advancing national security and intelligence programs, delivering projects, building strong and diverse teams, fostering collaboration and leading change. During the course of his career, Mr. Gillies developed numerous international contacts with security and intelligence agencies, law enforcement, academia and the private sector. Mr. Gillies possesses career-long experience in conducting and managing complex national security investigations in a variety of roles including as the Director General, Counter Terrorism Division and the Director General, BC Region during the 2010 Winter Olympic Games. During his tenure as the Chief Human Resources Officer (“CHRO”) for CSIS, Mr. Gillies also represented CSIS nationally on numerous HR related Boards and Councils. Prior to joining the CSIS, Mr. Gillies served as a police officer in the Royal Canadian Mounted Police (“RCMP”). He is a graduate of the University of Victoria and currently resides in the Lower Mainland of British Columbia.</p>
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Securities Held				
Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
160,000	Nil	\$74,400	245,000	\$74,400

Current Board and Committee Positions, Membership and Attendance <sup>(6)</sup>	
Independent Member of the Board	Board Meetings Attended 2022: 11/11 - 100%
Member, Compensation & HR Committee	Compensation & HR Committee Meetings Attended 2022: 5/5 - 100%
Member, Governance & Nomination Committee	Governance and Nomination Committee Meetings Attended 2022: 4/4 - 100%
Member, Audit Committee	Audit Committee Meetings Attended 2022: 9/9 - 100%

Skills Matrix
Information Technology, AI, Cyber Security; Security Industry; Human Resources / Executive Compensation; Government Relations, Legal and Regulatory; Managing / Leading Growth; Public Company Board and Governance; Financial Literacy; Risk Management and Compliance Oversight

### Victoria Calvert - Director | Alberta, Canada

 Director Since: May 29, 2019	<p>Ms. Calvert has served on public, crown, and not-for-profit boards for over two decades. Prior to becoming a professor, she was engaged in corporate banking and corporate planning. She has extensive experience in stakeholder partnerships and sustainability policies and metrics, and has a consulting practice focusing on strategic growth through competitive positioning and alignment of organizational capacities to emergent opportunities. She has board exposure to security pertaining to large infrastructure operations, and the role of AI for strategic and operational enhancement. Ms. Calvert serves as a director as well as a member of the governance committee and human resources and compensation committee of the board of AltaGas Ltd. Ms. Calvert is currently the Chair of the Company's Governance and Nomination Committee.</p>
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Securities Held				
Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
14,000	Nil	\$6,510	125,000	\$6,510

Current Board and Committee Positions, Membership and Attendance <sup>(6)</sup>	
Independent Member of the Board	Board Meetings Attended 2022: 11/11 - 100%
Chair, Governance and Nomination Committee	Governance and Nomination Committee Meetings Attended 2022: 4/4 - 100%
Member, Compensation and HR Committee	Compensation and HR Committee Meetings Attended 2022: 5/5 - 100%

Skills Matrix
Public Company Board and Governance; Human Resources / Executive Compensation; Marketing Strategies, Communication and Stakeholder Engagement; Government Relations, Legal and Regulatory; Financial Literacy; Risk Management and Compliance Oversight; Capital Markets

Bill Maginas - Director   Ontario, Canada				
 Director Since: January 1, 2020	<p>As the former President of Johnson Controls Canada (JCI), Mr. Maginas brings a great deal of industry expertise to Patriot's Board of Directors. Mr. Maginas is currently leading a portfolio business for Ironbridge Equity Partners as the CEO of GNI Management Group with a focus on building barrier science offerings, inclusive of sound proofing, insulation and fire prevention. He is an accomplished senior executive and thought leader, who has more than 20 years of success across the commercial building, construction, technology, security, energy and environmental solutions industries. While at JCI he ran a security division that served 25,000 customers, ranging from industrial sites in Alberta, Financial centres in Ontario and Data Centers in Quebec. At Honeywell he was a country leader in Canada for the building solutions business where he worked on security at the Vancouver Olympics and many other critical infrastructure venues. During his time at Honeywell he worked on security for multiple Olympic games, data centres and other key sites globally. One of his final positions at Honeywell was a Business Model Innovation Leader in the connected enterprise with a focus in software as a service offering. His broad areas of expertise include business process improvement, change management, growth and strategy. Mr. Maginas is currently the Chair of the Company's Compensation and Human Resource Committee.</p>			
Securities Held				
Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
10,000	Nil	\$4,650	250,000	\$4,650
Current Board and Committee Positions, Membership and Attendance <sup>(6)</sup>				
Independent Member of the Board		Board Meetings Attended 2022: 11/11 - 100%		
Chair, Compensation and HR Committee		Compensation and HR Committee Meetings Attended 2022: 5/5 - 100%		
Member, Audit Committee		Audit Committee Meetings Attended 2022: 9/9 - 100%		
Skills Matrix				
Managing / Leading Growth; Security Industry; Information Technology, AI, Cyber Security; Financial Literacy; Human Resources / Executive Compensation; Marketing Strategies, Communication and Stakeholder Engagement; Government Relations, Legal and Regulatory Experience; Leading Operations and Deployments; Public Company Board and Governance; Risk Management and Compliance Oversight; Capital Markets				

Lea M. Ray - Director   Ontario, Canada				
 Director Since: February 7, 2020	<p>Ms. Ray is a certified director (ICD.D) of the Institute of Corporate Directors and is a Chartered Professional Accountant. She holds a Bachelor of Commerce Degree from the Odette School of Business, University of Windsor. Lea has served as the Chair, Vice-chair, Lead Independent Director and Audit Committee Chair on a variety of publicly-listed (TSX), public sector and non-profit entities. She has held the position of Vice-President, Corporate Finance, for Warner Bros. Entertainment Canada Inc. and is a former member of the Professional Conduct Committee of the Chartered Professional Accountants (Ontario). Ms. Ray is currently the Chair of the Company's Audit Committee.</p>			
Securities Held				
Common Shares <sup>(1)</sup>	RSUs <sup>(2)</sup>	At-Risk Value of Common Shares and RSUs <sup>(3)</sup>	Options <sup>(4)</sup>	At-Risk Value of Common Shares, RSUs and Options <sup>(5)</sup>
15,000	Nil	\$6,975	250,000	\$6,975
Current Board and Committee Positions, Membership and Attendance <sup>(6)</sup>				
Independent Member of the Board		Board Meetings Attended 2022: 10/11 - 91%		
Chair, Audit Committee		Audit Committee Meetings Attended 2022: 9/9 - 100%		
Member, Governance and Nomination Committee		Governance and Nomination Committee Meetings Attended 2022: 4/4 - 100%		
Skills Matrix				
Public Company Board and Governance; Financial Literacy; Capital Markets; Government Relations, Legal and Regulatory; Managing / Leading Growth; Risk Management and Compliance Oversight; Human Resources / Executive Compensation				

**Notes:**

- The information as to Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by such directors.
- The Omnibus Plan was approved by the shareholders on November 5, 2019.
- Calculated as of July 31, 2022 using the closing price of the Shares on the Toronto Stock Exchange ("TSX") of \$0.465 per Share.
- For additional information regarding options held by directors, please see "Statement of Director Compensation".
- Calculated as of July 31, 2022 using the closing price of the Shares on the TSX of \$0.465 per share less the applicable exercise price for stock options.
- Attendance at Board and committee meetings are reported for the fiscal year ended July 31, 2022.

### **Corporate Cease Trade Orders or Bankruptcy**

To the best of our knowledge, as at the date of this Information Circular, and within the last ten (10) years before the date of the Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) is a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

### **Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in the security or radar technology industries, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of the Company and their duties as a director, officer, promoter or member of management of such other companies.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

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The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* prescribes that certain disclosure by the Company of its corporate governance practices be provided. The disclosure required by Form 58-101F1 – *Corporate Governance Disclosure* (“**Form 58-101F1**”), as well as certain additional disclosure is presented below.

#### **Majority Voting Policy**

While the Board recommends nominees to the Board, shareholders vote to elect the members of the Board on an annual basis. The Company has a Majority Voting Policy which requires that any nominee for director who receives a greater or equal number of votes “withheld” than “for” their election shall tender their resignation to the Chair of the Board immediately following the Meeting. The nominee shall not attend any meeting or participate in any Board

or committee meetings while the resignation offer remains outstanding. Within ninety (90) days of the date of the shareholders' meeting at which the election occurred, the Board will make a decision with regard to the offer to resign. Absent exceptional circumstances, the Board will accept the resignation. Following the Board's decision, the Board will promptly disclose, by way of press release, its decision whether to accept the director's offer to resign including, if applicable, a full statement of the reasons of the Board for rejecting the offer to resign. Provided that securities of the Company are listed on the TSX, a copy of such press release will be provided to the TSX.

### Composition of the Board

The Board is currently composed of six (6) directors. The Board determines the independence of all directors with reference to the requirements for independence set forth in National Instrument 52-110 – Audit Committees (“NI 52-110”). The Board has concluded that five (5) of its current six (6) directors are “independent” for purposes of board membership within the meaning of that term under NI 52-110. One (1) of the current directors, Peter Evans, is not considered “independent” due to his current role as Chief Executive Officer of the Company.

### Other Directorships

Victoria A. Calvert is currently a director of AltaGas Ltd., a reporting issuer in Canada, and Lea Ray is currently a director of Forward Water Technologies Corp., a reporting issuer in Canada. Otherwise, no director of the Company is also a director of another reporting issuer (or the equivalent) in Canada or elsewhere.

### Independent Chair of the Board

On January 24, 2020, Mr. van der Gracht was appointed Chair of the Board and he held this position throughout the fiscal year ended July 31, 2022.

### Board Mandate

The mandate and responsibilities of the Board can be found in the Board of Directors Mandate on the Company's website at <https://patriot1tech.com/about/governance/>.

### Attendance at Meetings of the Directors

During the most recently completed fiscal year, the Board had three standing committees being:

- the Audit Committee;
- the Governance and Nomination Committee; and
- the Compensation and HR Committee.

Attendance at Board and committee meetings for the fiscal year ended July 31, 2022 is summarized in the following table. Attendance has only been recorded in the table for those meetings during the period a director served as a member of such committee and does not include attendance as an observer.

Name	Board	Audit Committee	Governance Committee	Compensation and HR Committee
Peter van der Gracht	11/11	-	-	-
Peter Evans	11/11	-	-	-
John Gillies	11/11	9/9	4/4	5/5
Victoria Calvert	11/11	-	4/4	5/5
Lea M. Ray	10/11	9/9	4/4	-
Bill Maginas	11/11	9/9	-	5/5

### Director Independence

The independence status of each individual director is reviewed annually by the Board. The Board determines the independence of all directors with reference to the requirements for independence set forth in NI 52-110. A director is considered independent if he or she has no direct or indirect material relationship with the Company which, in the view of the Board, could reasonably be perceived to materially interfere with the exercise of the director’s independent judgment. The Board has determined that five of the six directors presented for election at the Meeting as management’s nominees are independent as set out below:

Name	Position	Independence
Peter van der Gracht	Director and Chairman of Board	Independent
Peter Evans	Director and Chief Executive Officer	Not Independent
John Gillies	Director	Independent
Victoria Calvert	Director	Independent
Lea M. Ray	Director	Independent
Bill Maginas	Director	Independent

Mr. Evans is not considered “independent” because he is an executive officer of the Company. Accordingly, upon completion of the Meeting, it is anticipated that the Board will be comprised of a majority of “independent” directors.

Independent directors will hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. In order to facilitate open and candid discussion among independent directors, from time to time as circumstances dictate, the non-independent directors and any representatives of management in attendance at meetings of the Board will be excused.

### Orientation and Continuing Education

The Governance and Nomination Committee is responsible for developing and recommending to the Board an appropriate orientation and education program for new members of the Board. In order to orient new directors regarding the role of the Board, its committees, and the business and operations of the Company, all new directors are given the opportunity to meet with the Chair of the Board, the Chairs of the various committees and other directors, the chief executive officer, the chief financial officer, corporate counsel and other members of the executive management team, to ask questions and become familiar with the Company as part of the onboarding process.

The Company has obtained board membership with the Institute of Corporate Directors (the “ICD”) for the benefit of its Board members. Board members are encouraged to maintain their governance skill set through attending workshops and courses offered by the ICD.

The Company provides continuing education opportunities to directors to enhance their skills and to strengthen their understanding of our evolving technologies as well as the varied competitive and customer landscapes. As part of its continuing education initiatives, the Board also participates in site visits to different operational offices where directors may meet with management, researchers, and staff. In response to the COVID-19 pandemic, certain meetings with the Board and management were conducted virtually in accordance with the Company’s health and safety policy to protect its directors and employees. The Company provides ICD membership for members of the Board in an effort to encourage ongoing awareness of evolving governance, compensation, and leadership practices.

The following are some of the continuing education topics and events that directors attended in during the fiscal year ended July 31, 2022:

Date	Topic	Presenting Organization	Director Attended
Sept 2021	From good intentions to actions: Strategies to become a more diverse and inclusive Board	Diligent & Spencer Stuart	Victoria Calvert
Oct 2021	Economic and Energy Update	Morgan Stanley for the Women Energy Directors Network	Victoria Calvert
Nov 2021	Forward Together	Global Leadership Exchange	Bill Maginas
Dec 2021	The Why, When & How of Boards for “Startups”	Institute of Corporate Directors	Peter van der Gracht
Dec 2021	Financial Reporting Update	PricewaterhouseCoopers	Lea M. Ray
Jan 2022	Anti-Money Laundering	Board Training	Lea M. Ray
Jan 2022	Privacy Legislation	Board Training	Lea M. Ray
Feb 2022	Financial Reporting Update	PricewaterhouseCoopers	Lea M. Ray
Feb 2022	Board oversight of social issues	Institute of Corporate Directors	Victoria Calvert
Feb 2022	Covid-19 & the Canadian Macro-Economic Outlook	Board Training	Lea M. Ray
Feb 2022	Alternative Mortgage Customer Analytics	Board Training	Lea M. Ray
Mar 2022	Director Session re: Russia/Ukraine Crisis	CIBC	Lea M. Ray
Mar 2022	Workplace Violence & Harassment	Board Training	Lea M. Ray
Apr 2022	Is DEI in your DNA?	Institute of Corporate Directors	John Gillies
Apr 2022	Canada Budget Review	Ernst & Young	Lea M. Ray
Apr 2022	Construction and Commercial Lending Market Developments	Board Training	Lea M. Ray
Apr 2022	The Board’s Role in CEO Transitions	Institute of Corporate Directors	John Gillies
Apr 2022	Role of the Chair	Deloitte	Lea M. Ray
Apr 2022	Audit Committee Effectiveness	Institute of Corporate Directors	John Gillies
May 2022	Building resilient boards and management teams, and the compensation plans to enable them	Hugessen Consulting	Victoria Calvert
May 2022	Virtual ICD National Director Conference: Governing with Courage	Institute of Corporate Directors	Victoria Calvert
May 2022	Fancentric Conference	Innovation Institute for Fan Experience	Peter Evans
Jun 2022	Environmental, Social and Governance Update Webinar	Hugessen Consulting	Victoria Calvert
Jun 2022	Oversight of Cybersecurity	Institute of Corporate Directors	John Gillies
Jun 2022	Reciprocity of Relationships – Our Indigenous Journey Continues	Institute of Corporate Directors	Peter van der Gracht
Jun 2022	Reciprocity of Relationships – Our Indigenous Journey Continues	Institute of Corporate Directors	John Gillies
Jun 2022	Climate Change & Environmental Risk Management	Board Training	Lea M. Ray
Jun 2022	Liquidity Management Metrics and Processes	Board Training	Lea M. Ray
Jun 2022	2022 Proxy Season Review and Emerging Topics	Hugessen Consulting	Victoria Calvert
Jun 2022	2022 Executive Compensation Trends	Institute of Corporate Directors	John Gillies
Jun 2022	National Sports Safety & Security Conference	NCS4	Peter Evans
Jun 2022	Canada’s Proposed Cybersecurity Bill C-26: What Board Members Need to Know	Institute of Corporate Directors	John Gillies
Jul 2022	Sustainable Leadership: Lessons of Vision, Courage, Grit from the CEOs Who Dared to Build a Better World	McKinsey & Russell Reynolds	Victoria Calvert
Jul 2022	Major Challenges facing Canadian leaders today and the anatomy of a high-performing leader, team, and board	McKinsey & Russell Reynolds	Victoria Calvert

### **Ethical Business Conduct**

The Board updated its Code of Business Conduct and Ethics (the “**Code**”) on March 10, 2022. The previous Code of Business Conduct and Ethics was adopted on March 16, 2021.

The Code is applicable to all directors, officers, employees, contractors, and consultants of the Company, its subsidiaries and affiliates (collectively “**Employees**”). The Code is designed to provide guidance on the conduct of the Company’s business in accordance with high ethical standards. The Code constitutes written standards that are designed to promote integrity and to deter wrongdoing.

The Board is responsible for monitoring compliance with the Code. The Board carries out this responsibility through the following mechanisms, among others:

- upon commencing employment with the Company, requiring all Employees to review and acknowledge the Code by way of signature;
- requiring a biennial re-acknowledgement, by way of signature, by all Employees;
- providing readily available access to the Code through the Company’s internal human resources documentation application and the Company’s website;
- the fulfilment of the mandates of the Governance and Nomination, Audit and Compensation and HR Committees; and
- the provision of a whistle-blower policy, similarly requiring review and acknowledgement by all Employees upon commencing employment, along with a biennial review and re-acknowledgement by way of signature.

A copy of the Code is available at <https://patriot1tech.com/about/governance/>.

### **Governance and Nomination Committee**

The Board has a Governance and Nomination Committee that serves as the Board’s Nomination Committee. The Governance and Nomination Committee is currently composed entirely of independent directors. The current members of the Governance and Nomination Committee are Victoria Calvert, Lea M. Ray and John Gillies. Ms. Calvert currently chairs the Governance and Nomination Committee. One of the mandates of the Governance and Nomination Committee is to recommend candidates for election to the Board with a view to ensuring the Company has sufficient strength on the Board to provide the corporate governance necessary to assist the Company to achieve its short and long-term goals.

In 2022, the Governance and Nomination Committee completed a survey whereby each director provided a self-assessment and ranking on a range of skills deemed important for the Board. The following skills matrix identifies the skills of the existing six (6) directors.

**Rating Scale**

0 = Does Not Have Skills/Experience

1 = Basic (*has some understanding or limited experience*)

2 = Experienced (*has good understanding and can strongly contribute to Board discussions*)

3 = Expert (*has significant understanding and experience, and can provide direction and leadership*)

Skill	Peter van der Gracht	Peter Evans	John Gillies	Lea M. Ray	Bill Maginas	Victoria Calvert
Managing / Leading Growth <sup>(1)</sup>	3	3	2	2	3	1
Security Industry <sup>(2)</sup>	2	3	3	1	3	1
Information Technology, AI, Cyber Security <sup>(3)</sup>	2	3	3	1	3	1
Public Company Board and Governance <sup>(4)</sup>	2	1	2	3	2	3
Financial Literacy <sup>(5)</sup>	2	2	2	3	3	2
Risk Management and Compliance Oversight <sup>(6)</sup>	2	2	2	2	2	2
Human Resources / Executive Compensation <sup>(7)</sup>	3	3	3	2	3	3
Marketing Strategies, Communication and Stakeholder Engagement <sup>(8)</sup>	3	3	1	1	3	3
Capital Markets <sup>(9)</sup>	2	1	1	3	2	2
Government Relations, Legal and Regulatory <sup>(10)</sup>	3	2	3	3	3	3
Leading Operations and Deployments <sup>(11)</sup>	3	3	1	1	3	1

**Notes:**

1. Experience driving strategic direction and leading growth of a rapidly growing business, including the ability to think strategically and to identify and critically assess strategic opportunities and threats.
2. Management and/or operational experience in the security industry.
3. Experience with information technology, including AI and security risk management.
4. Prior and/or current experience as a board member of a publicly listed company, including experience with best practice corporate governance policies and processes.
5. Experience as a senior financial officer of a publicly listed company or major organization, or experience in financial accounting and reporting and corporate finance, including familiarity with internal financial controls and International Financial Reporting Standards.
6. Ability to identify key risks to the organization in a wide range of areas (e.g., legal and regulatory compliance), including experience with enterprise risk management systems, procedures and practices.
7. Experience managing human resource matters, with specific expertise in executive compensation.
8. Experience in engaging with key industry stakeholders including major investors, community partners, the investor community, and industry partners.
9. Experience in investment banking, corporate finance, private equity and/or mergers and acquisitions.
10. Experience in working with government agencies at a senior level, and with regulatory compliance strategies and processes.
11. Experience overseeing channel management quality control.

**Nomination of Director**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views, skills and experience. As described above, the Board's Governance and Nomination Committee recommends candidates for election to the Board.

In making its recommendations, the Governance and Nomination Committee considers:

- the competencies and skills the Board considers to be necessary for the Board, as a whole;
- the competencies and skills the Board considers each director to possess;
- the competencies and skills each new nominee will bring to the Board; and
- whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

### **Compensation and Human Resources Committee**

The Board has a Compensation and HR Committee which is composed entirely of independent directors. The Compensation and HR Committee was created to assist the Board in the development of robust, competitive, and accountable compensation frameworks, capable of attracting and retaining management of the highest caliber and to assist the Board in its risk oversight responsibilities, specifically in regard to risks to business performance associated with compensation frameworks. The current members of the Compensation and HR Committee are John Gillies, Victoria Calvert and Bill Maginas.

### **Audit Committee**

The Audit Committee of the Board is a committee established for the purpose of overseeing the accounting and financial reporting processes of the Company and the annual external audit of the financial statements. All members of the Audit Committee are independent, financially literate and have accounting or related financial expertise based on criteria in accordance with NI 52-110. The mandate and responsibilities of the Audit Committee can also be found in the Audit Committee Charter on the Company's website at <https://patriot1tech.com/about/governance/>. The Audit Committee Charter was most recently updated by the Company on October 20, 2021. The Audit Committee is composed entirely of independent directors (in accordance with National Instrument 52-110 *Audit Committees*). The current members of the Audit Committee are Lea M. Ray, John Gillies, and Bill Maginas.

### **Board and Executive Management Diversity Initiatives**

The Board is committed to diversity principles and best practices and the belief that a diverse group of directors and executive officers makes prudent business sense and supports better corporate governance. From the Board's perspective, the ability to draw on a wide range of viewpoints, backgrounds, skills and experiences is critical to the Company's success. Diversity promotes the inclusion of different ideas, mitigates against groupthink and ensures that the organization draws upon the broadest pool of qualified candidates.

Our Board Gender and Diversity Policy ("**Diversity Policy**"), which focuses on increasing the representation of women, members of visible minorities, Indigenous peoples, persons with disabilities, and veterans, and on developing a more inclusive workplace, anchors the Company's commitment. The Diversity Policy applies at all levels within the organization and includes strategies on sourcing, selection, hiring, training and development of diverse candidates. The strategy of building a diverse and inclusive workforce is holistic; it necessarily involves an integrated approach on sensitizing, recognizing, and building awareness on diversity and inclusion in the workplace.

A copy of the Diversity Policy is available at <https://patriot1tech.com/about/governance/>.

### **Supporting Diversity, Equity and Inclusion**

The Company is undertaking various initiatives aimed at better promoting and reinforcing diversity, equity and inclusion. For example, we are:

- conducting regular reviews of pay equity and defining a roadmap to address identified gaps;
- assessing hiring practices to leverage diversity focused recruitment practices and requiring diverse candidate slates for all recruitment mandates;
- developing inclusive leaders through targeted training and education, who will be critical in creating and sustaining an inclusive environment; and
- assessing the effectiveness of the nomination process regularly to achieve gender targets and promote diversity.

These initiatives are strongly supported through active involvement by management and the Board.

### **Diversity Statistics and Targets**

Form 58-101F1 requires disclosure relating to the representation of women on the Board and in executive officer positions, with reference to policies and targets. The Company has adopted the Diversity Policy for the Board specifying a female representation target of at least 30% by 2022. The Governance and Nomination Committee periodically assesses the effectiveness of the nomination process in achieving the gender target and continues to promote the objective.

There are currently two (2) women on the Board (representing 33% of the Board). Both Ms. Ray and Ms. Calvert are nominated for re-election to the Board at the Meeting. The Company has considered the level of representation of women in executive officer positions when making executive officer appointments. There is currently one (1) woman (representing 50% of the officer positions) serving in an executive officer position at the Company, being Karen Hersh who serves as the Company’s CFO and Corporate Secretary.

We currently have not adopted specific targets for diversity representation other than gender for executive management. We will however be using the established labour market availability numbers in each province or state as our baseline ambition to measure progress. On an annual basis, the Governance and Nomination Committee and the Compensation and HR Committee assess the effectiveness of the nomination/appointment process in achieving the Company’s diversity objectives and measure the annual and cumulative progress in achieving its diversity targets.

The Diversity Policy is available on our website at <https://patriot1tech.com/about/governance/>.

## **APPOINTMENT OF AUDITOR**

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Davidson & Company LLP, Chartered Professional Accountants, is the Company’s auditor, and was first appointed as the Company’s auditor on June 18, 2013.

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass a resolution to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor for the Company, to hold office until the next annual general meeting of the Company and to authorize the directors to fix the remuneration to be paid to the auditor for the Company.

### **External Auditor Service Fees**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditors, Davidson & Company LLP, for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

<b>Fiscal Year Ending</b>	<b>Audit Fees</b>	<b>Audit-related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>	<b>Total</b>
July 31, 2022	\$120,000	\$37,500	Nil	Nil	\$157,500
July 31, 2021	\$85,000	\$4,556	Nil	Nil	\$89,554

## **STATEMENT OF EXECUTIVE COMPENSATION**

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### **Compensation Discussion and Analysis**

#### **Compensation Governance**

##### *Composition of the Compensation and HR Committee*

The Board has a Compensation and HR Committee, which is comprised of independent Directors. The current members are Bill Maginas, as Committee Chair, with John Gillies and Victoria Calvert as committee members.

##### *Experience and Skills of the Compensation and HR Committee*

Each of the committee members, Mr. Maginas, Mr. Gillies and Ms. Calvert, has direct experience that is relevant to their responsibilities in executive compensation.

During the course of his career, Mr. Maginas has held senior executive positions within the technology and security markets, including President, Canada for Johnson Controls Inc., and Vice President, Business Model Innovation at Honeywell International Inc.

Spanning a career over 30 years, Mr. Gillies held senior leadership roles in the Canadian public sector, including Chief Human Resources Officer, Assistant Director, and Director General, for the Canadian Security Intelligence Services (“CSIS”). In these leadership positions, Mr. Gillies worked in the creation and periodic market assessment of complex compensation arrangements.

Prior to becoming a full-time professor, Ms. Calvert was engaged in corporate banking and corporate planning. Ms. Calvert currently serves on the Board of AltaGas Ltd., a TSX-listed company, for which she serves on the governance, human resources and compensation, and special strategy committees. Ms. Calvert has held a series of directorships throughout her career in the corporate, non-profit and public sectors.

##### *Responsibilities of the Compensation and HR Committee*

The Compensation and HR Committee’s responsibilities with respect to compensation include but are not limited to the following:

- Company Compensation Framework
- Director Compensation
- Executive Compensation
- Senior Management Compensation
- Company Benefit Plans
- Stock Options
- Succession planning
- Human Resource Processes
- Termination Arrangements

A copy of the Compensation and Human Resources Committee Mandate can be found at <https://patriot1tech.com/about/governance/>.

##### *Compensation Philosophy and Objectives*

The primary objectives of the Company’s executive compensation program are to attract and retain qualified executives critical to the success of the Company, to provide fair and competitive compensation, to align the interests of management with those of the Company and its shareholders and to reward corporate and individual performance.

In particular, the Company’s executive compensation program encompasses the following principles:

- Compensation should be fair, reasonable, and comparable to similar companies and similar positions within the Company’s industry;
- Compensation should be rewarded on the basis of performance;
- An appropriate portion of total compensation should be equity-based, to align the financial interest of the executives with those of the Company and shareholders;
- Long-term performance should be emphasized, ensuring short-term performance is not prioritized at the expense of long-term benefits or in contradiction to long-term risk mitigation;
- Compensation should be transparent to executives and shareholders; and
- Compensation schemes, formulas, objectives and associated components should be sufficiently flexible to adjust to the Company’s changing business needs, corporate environment and market practices.

#### *Elements of Compensation*

The Company’s executive compensation program consists of fixed and “at risk” compensation, provided in a mix of cash and equity. Executive compensation is reviewed and assessed annually by the Compensation and HR Committee, which makes recommendations to the Board on executive compensation to ensure value and continued alignment with the interests of the Company and its shareholders.

Rather than applying formulas or weighting elements of compensation based on forward-looking performance objectives, during fiscal 2022 the Board, on the advice of the Compensation and HR Committee, exercised discretion and applied judgment in determining the total compensation package for each executive officer. Total discretionary compensation for executive officers was determined based on a combination of pre-determined revenue targets and discretionary objectives.

The principal components of total compensation and the objectives they are intended to achieve for fiscal 2022 are summarized in the following table and described further below:

Compensation Element	Form	Description	Objectives
Annual Base Salary	Fixed, cash-based	A fixed level of compensation.	Attract qualified leaders, motivate, and reward strong business performance, with an emphasis on personal responsibility and performance.
Short-term incentive – fiscal 2022	At-risk, cash based	Discretionary cash payment, with stated, pre-determined objectives.	Reward the performance of individual executives and their contributions to the Company’s success.
Long-term incentive – fiscal 2022	At risk, equity based	Discretionary equity-based payment in the form of stock options that are subject to vesting based on time. Quantum of grants depend on corporate and individual performance generally.	Retain executives and reward long-term financial and operating performance of the Company and share price growth, aligning interests of executives with those of the Company and its shareholders.

### *Base Salary*

Base salary is the primary means, in the form of a fixed component of the overall compensation paid the by Company to secure an executive officer's services. The base salary is intended to fit into the Company's overall compensation objectives, with consideration as to stage of the Company's growth, financial results, and the personal and corporate achievements of the executive. The Board aims to ensure salaries are in line with comparable companies, in terms of size and risk.

The Compensation and HR Committee considers the following factors in setting and adjusting the base salaries:

- The level of responsibility of the executive officer
- Compensation paid comparatively to each executive officer
- Experience of the executive officer
- Executive officer's overall performance versus established goals and objectives

### *Incentive Compensation*

Annual cash bonuses are a short-term variable element of compensation that reward each executive officer for both corporate and individual performance. The Board approved stated objectives for fiscal 2022, which were primarily tied to targeted revenue goals, allowing for a bonus of up to 50% of base salary.

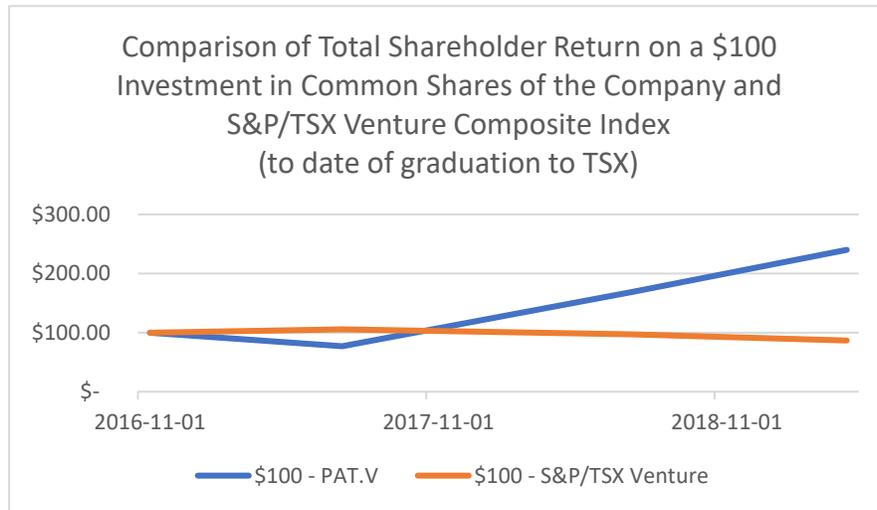
### *Stock Option Grants*

Share-based compensation is a long-term, at-risk, variable element of compensation that directly aligns the executive officer's interest with those of the Company and its shareholders, discourages excessive risk-taking and encourages retention. Stock option grants generally include vesting provisions in accordance with the Omnibus Plan.

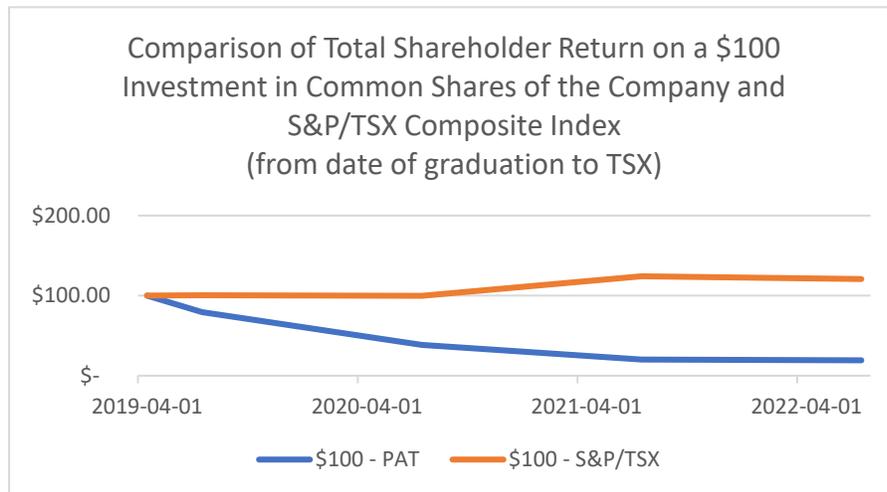
In fiscal 2021, the Compensation and HR Committee approved a grid framework, with the intent to associate directors, executive management, and the wider employee base with a seniority level, each with an associated range of Option grants. After adoption, the Compensation and HR Committee reviewed the appropriateness of the proposed Option grants, as recommended by senior management.

### Performance Graphs

The following graph illustrate the cumulative return on a \$100 investment in the Company’s Shares made on November 14, 2016, the date the company became a reporting issuer on the TSX Venture Exchange, as compared with the cumulative return on a \$100 investment in the S&P/TSX Venture Composite Index made on the same date, to April 8, 2019, the date the Company’s securities ceased trading on the TSX Venture.



The following graph illustrates the cumulative return on a \$100 investment in the Company’s common shares made on April 9, 2019, the date the Company’s securities commenced trading on the TSX, as compared with the cumulative return on a \$100 investment in the S&P/TSX Composite Index made on the same day.



As a new company in the development stage, with a technology-based solution aimed at disrupting a mature market, the recent trend shown by the foregoing graph (i.e., a decline in share price) does not reflect the trend in the Company’s compensation to executive officers (i.e., an increase in executive compensation).

## Summary Compensation Table

The table below (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) under NI 51-102 sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the fiscal years ended July 31, 2022, 2021 and 2020 in respect of the Chief Executive Officer (“**CEO**”), the Chief Financial Officer (“**CFO**”), along with all other named executive officers, collectively referred to as the “**Named Executive Officers**” or “**NEOs**”.

Name and Principal Position	Year ended July 31,	Salary (\$)	Share based awards (\$)	Option based awards (\$) <sup>(6)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Peter Evans, CEO <sup>(1)</sup>	2022	\$273,183	N/A	\$214,385	\$38,076	N/A	N/A	\$183,837	\$709,481
	2021	Nil	N/A	\$341,160	Nil	N/A	N/A	\$319,375	\$660,535
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Karen Hersh, CFO & Corporate Secretary <sup>(2)</sup>	2022	\$287,500	N/A	\$75,800	Nil	N/A	N/A	Nil	\$363,300
	2021	\$259,007	N/A	\$199,580	Nil	N/A	N/A	Nil	\$458,587
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Martin Cronin, Former CEO <sup>(3)</sup>	2022	Nil	N/A	Nil	Nil	N/A	N/A	\$16,667	\$16,667
	2021	\$133,393	N/A	Nil	Nil	N/A	N/A	\$203,000	\$336,393
	2020	\$310,000	N/A	\$85,234	\$140,000	N/A	N/A	\$40,000	\$575,234
Dietmar Wennemer, Former President & COO <sup>(4)</sup>	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2021	\$340,103	N/A	Nil	Nil	N/A	N/A	Nil	\$340,103
	2020	\$121,282	N/A	\$308,700	Nil	N/A	N/A	Nil	\$429,982
Mike Barnsley, Former CFO & Corporate Secretary <sup>(5)</sup>	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2021	\$2,223	N/A	Nil	N/A	N/A	N/A	Nil	\$2,223
	2020	Nil	N/A	\$102,575	N/A	N/A	N/A	\$245,718	\$348,293

### Notes:

- The Company entered into a consulting agreement with Mr. Evans effective November 16, 2020 (the “Evans Agreement”). Under the terms of the Evans Agreement, Mr. Evans has agreed to provide services as CEO of the Company for an annual base salary of \$420,000 and an initial grant of \$243,720 equivalent in stock options using Black-Scholes calculation, plus the opportunity to earn an annual bonus of up to 30% of base salary and incentive bonus of up to 20% of base salary converted to share options using Black-Scholes calculation. The Company entered into an employment agreement with Mr. Evans effective January 1, 2022 (the “Evans Employment Agreement”). Under the Evans Employment Agreement, Mr. Evans has agreed to continue to provide services as CEO of the Company for an annual base salary of US\$350,000 and minimum cash bonus of US\$30,000 payable in two installments at the mid-way and the end of fiscal year 2022. The annual salary for Mr. Evans was increased to US\$380,000 effective April 1, 2022.
- The Company entered into an employment agreement with Ms. Hersh effective August 10, 2020 (the “Hersh Agreement”). Under the terms of the Hersh Agreement, Ms. Hersh has agreed to provide services as CFO of the Company for an annual base salary of \$260,000 and an initial grant of \$143,900 equivalent in stock options using Black-Scholes calculation, plus the opportunity to earn an annual bonus of up to 15% of base salary. The Company entered into a new employment agreement with Ms. Hersh effective September 16, 2021 (the “New Hersh Agreement”). Under the New Hersh Agreement, Ms. Hersh has agreed to continue to provide services as CFO of the Company for an annual base salary of \$280,000, plus the opportunity to earn an annual bonus of up to 25% of base salary. The annual salary for Ms. Hersh was increased to \$310,000 effective April 1, 2022.
- Mr. Cronin ceased to be CEO of the Company on November 16, 2020 and was replaced by Mr. Evans.
- The Company entered into an employment agreement with Mr. Wennemer effective April 13, 2020 (the “Wennemer Agreement”). Under the terms of the Wennemer Agreement, Mr. Wennemer agreed to provide services as COO of the Company for an annual salary of \$400,000 plus the opportunity to earn an annual bonus up to 25% of base salary. Mr. Wennemer ceased to be COO of the Company on May 31, 2021.
- Mr. Barnsley ceased to be CFO of the Company on August 10, 2020 and was replaced by Ms. Hersh.
- Option-based awards are valued at the date of grant using the Black-Scholes option pricing model, which the Company has chosen because it is one of the most common valuation methodologies used by issuers. Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management’s view that the existing models may not provide a single reliable measure of the fair value of the Company’s stock option grants. The Company uses an option-pricing model because there is no market for which options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an option holder might receive if the options freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

### Incentive Plan Awards

The following table sets forth for each of the Named Executive Officers, all awards outstanding at the end of the fiscal year ended July 31, 2022. The Company did not have any share-based awards outstanding at the end of the year ended July 31, 2022.

Name	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout of vested share-based awards not paid out or distributed (\$)
Peter Evans, CEO	720,000	\$0.57	November 11, 2025	Nil	Nil	Nil	Nil
	350,000	\$0.52	June 15, 2026	Nil	Nil	Nil	Nil
	150,000	\$0.54	April 4, 2027	Nil	Nil	Nil	Nil
	550,000	\$0.57	April 13, 2027	Nil	Nil	Nil	Nil
Karen Hersh, CFO and Corporate Secretary	250,000	\$0.97	August 10, 2025	Nil	Nil	Nil	Nil
	200,000	\$0.52	June 15, 2026	Nil	Nil	Nil	Nil
	100,000	\$0.54	April 1, 2027	Nil	Nil	Nil	Nil
	150,000	\$0.57	April 13, 2027	Nil	Nil	Nil	Nil

**Notes:**

1. In-the-money options are those where the market value of the underlying securities as at the most recent fiscal year end exceeds the option exercise price. This amount was calculated using the closing market price of the Company's shares on the TSX on July 31, 2022, being \$0.465.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Named Executive Officers, the value of option-based awards which vested during the fiscal year ended July 31, 2022, and the value of non-equity compensation earned during the year ended July 31, 2022. The Company did not have any share-based awards outstanding at the fiscal year ended July 31, 2022.

Name	Option-based awards - value vested during the year (\$) <sup>(1)</sup>	Share-based awards - value vested during the year (\$)	Non-equity incentive plan compensation - value earned during the year (\$)
Peter Evans	Nil	N/A	Nil
Karen Hersh	Nil	N/A	Nil
Dietmar Wennemer	Nil	N/A	Nil

**Note:**

1. Calculated based on the difference between the market price of the Shares from the closing price of the Shares on the TSX on the vesting date and the exercise price of the options on the vesting date.

### **Termination and Change of Control Benefits**

During the fiscal year ended July 31, 2022, the Company entered into new employment agreements for the Named Executive Officers which include a clause for termination following a change of control. The conditions related to termination and change of control benefits provided in the compensation plans of Named Executive Officers are summarized as follows:

- The employment agreement includes extensive confidentiality, non-solicitation, and non-complete clauses in favour of the Company.
- In the event the Company terminates the employment agreement without just cause following a change of control or by the Executive following a change of control, the Company shall pay to the NEO (i) any base salary and vacation earned by the NEO and payable to the NEO up to the date of termination; and (ii) an amount equal to twelve (12) months' base salary in lieu of notice of termination, less applicable statutory deductions and payable by way of lump sum payment within thirty (30) calendar days of the date of termination.
- The NEO's participation in all bonus and incentive plans terminates immediately upon the date of termination following a change of control. The NEO shall be entitled to (i) a pro rata payment of any bonus, including the incentive bonus, up to the date of termination; and (ii) such other compensation awards that may have been declared by the Company or by the Board as having been earned by the NEO and owing to the NEO immediately preceding the date of termination.
- All options granted to the NEO during the employment period with the Company shall immediately vest as of the date of termination following a change of control. The Company will provide the NEO the opportunity to exercise any options that vested within a period that is up to and including the date that is six (6) months from the date of termination following a change of control.
- The Company will continue the benefits available to the NEO over the change of control notice period provided that, however, if the corporation cannot continue any particular benefit pursuant to the terms of the relevant plan or policy, then the Company's obligation shall be limited to the minimum requirements of the applicable Employment Standards Act.

## STATEMENT OF DIRECTOR COMPENSATION

### Director Compensation

The following table (presented in accordance with Form 51-102F6) sets forth a summary of compensation earned by our directors who are not also Named Executive Officers, for the Company's fiscal year ended July 31, 2022.

Name	Fees Earned (\$) <sup>(1)</sup>	Share Based Awards (\$)	Option Based Awards (\$) <sup>(2)</sup>	Non-equity Incentive Plan Compensation (\$)	All Other Compensation (\$) <sup>(3)</sup>	Total Compensation (\$)
Peter van der Gracht	\$125,000	Nil	\$44,783 <sup>(4)</sup>	Nil	Nil	\$169,783
John Gillies <sup>(5)</sup>	\$84,584	Nil	\$45,136 <sup>(4)</sup>	Nil	Nil	\$129,720
Victoria Calvert	\$75,000	Nil	\$32,050 <sup>(4)</sup>	Nil	Nil	\$107,050
Lea M. Ray	\$75,000	Nil	Nil	Nil	Nil	\$75,000
Bill Maginas <sup>(5)</sup>	\$70,417	Nil	Nil	Nil	Nil	\$70,417
Martin Cronin <sup>(6)</sup>	\$16,667	Nil	Nil	Nil	Nil	\$16,667

#### Notes:

- Includes all Board related fees and formal committee fees.
- The value of Option Based Awards was determined using the Black-Scholes valuation model on the date the options were granted.
- Includes sub-committee fees, consulting arrangements and any other compensation.
- Option Based Awards include stock options granted as an incentive and not in lieu of salary or any other compensation for services. These options vest immediately and carry a five-year term.
- Mr. Gillies ceased to be the Chair of Compensation and HR committee as of July 1, 2022 and was replaced by Mr. Maginas.
- Mr. Cronin ceased to be CEO of the Company on November 16, 2020 and remained a member of the Board until December 7, 2021. During this time, Mr. Cronin received director fees as he was no longer compensated as an officer of the Company.

### Discussion of Director Compensation

Significant factors necessary to understand the information disclosed in the Director Compensation Table above include the Board's fee structure and the Company's Omnibus Plan.

#### Board Fees

The Board, at the recommendation of the Compensation and HR Committee, determines independent director<sup>(1)</sup> compensation from time to time. Beginning on May 1, 2021, independent directors<sup>(1)</sup> received fees as follows:

Role	Annual Fees (\$)
Chair of the Board	\$125,000
Independent Director <sup>(1)</sup>	\$50,000
Committee Chair (per committee)	\$15,000
Committee Member (per committee)	\$10,000

Prior to May 1, 2021, the independent directors<sup>(1)</sup> received fees were as follows:

Role	Annual Fees (\$)
Chair of the Board	\$75,000
Independent Director <sup>(1)</sup>	\$50,000
Committee Chair (per committee)	\$15,000
Committee Member (per committee)	\$10,000

#### Notes:

- Includes non-independent directors who are no longer members of (and compensated as members of) the executive team.

### Incentive Plan Awards for Directors

The following table (presented in accordance with Form 51-102F6) sets forth for each director who is not a Named Executive Officer, all awards outstanding as at July 31, 2022. There were no share-based awards outstanding.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>
Peter van der Gracht	50,000	\$1.49	February 7, 2023	Nil
	75,000	\$0.44	December 8, 2026	\$1,875
	125,000	\$0.42	July 11, 2027	\$5,625
John Gillies	60,000	\$0.49	March 22, 2026	Nil
	60,000	\$0.44	December 8, 2026	\$1,500
	125,000	\$0.46	June 14, 2027	\$625
Victoria Calvert	125,000	\$0.46	June 14, 2027	\$625
Lea M. Ray	250,000	\$1.49	February 7, 2023	Nil
Bill Maginas	250,000	\$1.29	January 1, 2023	Nil

**Note:**

1. Determined based on the closing price of the Shares on the TSX on July 31, 2022, being \$0.465, less the exercise price, multiplied by the number of unexercised Options, whether vested or unvested.

**Incentive Plan Awards – Value Vested or Earned During the Years**

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director who is not a Named Executive Officer, during the Company’s fiscal year ended July 31, 2022:

Name	Option-based awards-value vested during the year (\$) <sup>(1)</sup>	Share-based awards-value vested during the year (\$)	Non-equity incentive plan compensation-value earned during the year (\$)
Peter van der Gracht	Nil	N/A	N/A
John Gillies	Nil	N/A	N/A
Victoria Calvert	Nil	N/A	N/A
Lea M. Ray	Nil	N/A	N/A
Bill Maginas	Nil	N/A	N/A
Martin Cronin	Nil	N/A	N/A

**Note:**

1. Calculated based on the difference between the market price of the Shares from the closing price of the Shares on the TSX on the vesting date and the exercise price of the options on the vesting date.

**Discussion of Incentive Plan Awards for Directors**

The significant terms of all plan-based awards, issued or vested, or under which Options have been exercised, during the year, or outstanding at year end, are set out in the Company’s Omnibus Plan. During the fiscal year ended July 31, 2022, Mr. Cronin exercised 300,000 Options at \$0.19 per option and 250,000 Options at \$0.30 per option on November 4, 2021. No other Options held by the directors were exercised during the fiscal year ended July 31, 2022. No RSUs have been granted to directors.

The Board, at the recommendation of the Compensation and HR Committee, determines director incentive plan compensation. New directors successfully nominated to the Board receive a grant of 125,000 Options that will be vested in accordance with the Company’s policy and have a term of five (5) years. Subsequent to initial appointment to the Board, an annual grant of 125,000 Options will be made to each Director on the anniversary date of their appointment to the Board. These Options vest immediately and have a term of five (5) years. An additional 50,000 Options are granted to the Chair of the Board which will be vested in accordance with the Company’s policy and have a term of five (5) years.

**Aggregated Option Exercises During the Most Recently Completed Fiscal Year and Fiscal Year-End Option Values**

The following table sets forth details of the exercise of Options during the fiscal year ended July 31, 2022 by each director, not a Named Executive Officer, and the fiscal year-end value of unexercised Options on an aggregated basis.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$) <sup>(1)</sup>	Unexercised Options at Fiscal Year-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at Financial Year-End (\$) <sup>(2)</sup> Exercisable/Unexercisable
Peter van der Gracht	Nil	Nil	250,000 / Nil	\$7,500 / Nil
John Gillies	Nil	Nil	245,000 / Nil	\$2,125 / Nil
Victoria Calvert	Nil	Nil	125,000 / Nil	\$625 / Nil
Lea M. Ray	Nil	Nil	250,000 / Nil	Nil/ Nil
Bill Maginas	Nil	Nil	250,000 / Nil	Nil/ Nil
Martin Cronin	550,000	\$111,500	N/A	N/A

**Notes:**

1. The aggregate value realized is calculated using the sale price of the Shares realized by each director following the exercise of Options by each director, less the exercise price of the Options.
2. Determined based on the closing price of the Shares on the TSX on July 31, 2022, being \$0.465, less the exercise price, multiplied by the number of unexercised Options.

**OTHER INFORMATION**

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at the fiscal year ended July 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup> (c)
Equity compensation plans approved by security holders <sup>(2)</sup>	9,758,579	\$0.91	6,559,343
Equity compensation plans not approved by security holders	None	N/A	N/A
Total	9,758,579	-	6,559,343

**Notes:**

1. This figure is based on the total number of Shares authorized for issuance under the Omnibus Plan, less the number of Options outstanding as at the Company's fiscal year ended July 31, 2022.
2. Pursuant to the Omnibus Plan.

## Burn Rate

In accordance with the policies of the TSX, the following table sets out the annual burn rate, calculated in accordance with section 613(p) of the TSX Company manual, of each of the Company's security-based compensation arrangements for the three most recently completed fiscal years:

Equity Incentive Plan	
For the Year Ended July 31,	Burn Rate <sup>(1)</sup>
2022	2.92%
2021	1.88%
2020	2.49%

### Notes:

1. Annual burn rate is expressed as a percentage and is calculated by dividing the number of securities granted under the Omnibus Plan by the weighted average number of securities outstanding for the applicable fiscal year.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no individual who is, or at any time during the most recently completed fiscal year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed fiscal year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed fiscal year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

As of the date hereof, no individual who is, or at any time during the most recently completed fiscal year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed fiscal year of the Company has been indebted to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise.

## PARTICULARS OF MATTERS TO BE ACTED UPON

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### FINANCIAL STATEMENTS

The financial statements of the Company for the year ended July 31, 2022 and the auditor's report thereon will be received at the Meeting. The financial statements of the Company and the auditor's report were delivered to each shareholder that has formally requested a copy thereof as required pursuant to applicable laws and are available on SEDAR at [www.sedar.com](http://www.sedar.com). No vote with respect to such financial statements or auditor's report is required or proposed to be taken at the Meeting.

### SETTING NUMBER OF DIRECTORS

At the Meeting, shareholders will be asked to pass an ordinary resolution setting the number of directors to six (6) persons for the ensuing year.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at six (6).

Unless authority to do so is withheld, the Management Proxyholders intend to vote FOR the resolution.

## ELECTION OF DIRECTORS

At the Meeting, shareholders will vote on the election of directors. It is the intention of the persons named in the Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the election of each of the nominees specified under the heading “Election of Directors” above as directors of the Company. Management of the Company has been informed that each of the proposed nominees specified under the heading “Election of Directors” above is willing to serve as a director if elected. Each director, if elected, will hold office until the next annual meeting of shareholders, or until a successor is elected or appointed or until the director is removed at a meeting of shareholders.

Unless authority to do so is withheld, the Management Proxyholders intend to vote FOR the election of the nominees whose names are set out under the heading “Election of Directors” above. Management does not expect that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the Management Proxyholders will vote for another nominee at their discretion unless the Proxy specifies the common shares are to be withheld from voting in the election of the directors.

### Majority Voting Policy

While the Board recommends nominees to the Board, shareholders vote to elect the members of the Board on an annual basis. The Company has a Majority Voting Policy which requires that any nominee for director who receives a greater or equal number of votes “withheld” than “for” their election shall tender their resignation to the Chair of the Board following the Meeting. The nominee shall not attend any meeting or participate in any Board or Committee meetings while the resignation offer remains outstanding. The Board shall disclose its election decision via press release promptly after the meeting. After the resignation of the nominee, the Board may appoint a new director to fill the vacancy created by the resignation.

## APPOINTMENT OF THE AUDITORS

Davidson & Company LLP, Chartered Professional Accountants, is the Company’s auditor, and was first appointed as the Company’s auditor on June 18, 2013.

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

“RESOLVED, as an ordinary resolution, that Davidson & Company LLP, Chartered Professional Accountants, be appointed as the Company’s auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors.”

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, to serve as auditor of the Company until the next annual general meeting of the Company’s shareholders and to authorize the Board to fix the remuneration to be paid to the auditor.

## RE-APPROVAL OF THE OMNIBUS EQUITY INCENTIVE PLAN

The Company’s existing omnibus equity incentive plan (the “**Omnibus Plan**”), must be re-confirmed by shareholders every three years pursuant to the rules of the TSX. The Omnibus Plan was last confirmed by shareholders at the annual meeting held on November 5, 2019. On September 17, 2022, the board of directors determined that it is in the best interests of the Company that the Omnibus Plan be continued and amended with minor administrative amendments, and be presented to shareholders for re-approval.

In particular, the Company has made the following amendments to the Omnibus Plan:

- Where a participant’s employment, consulting agreement or arrangement is terminated by the Company without cause, any unvested awards granted under the Omnibus Plan to the participant will be immediately cancelled on the termination date, and any awards vested on or before the date of termination will be exercisable until the earlier of the expiry date of such vested award or 90 days after the termination date.

- Participants who have been granted PSUs (as defined below) under the Omnibus Plan will be eligible to receive dividend equivalents in the form of additional PSUs, as of each dividend payment date in respect of which normal cash dividends are paid on the common shares of the Company. For more information, see “*Dividend Equivalents*” below.

In addition, the Omnibus Plan has been amended to clarify that shareholder approval is not required for any amendments to the Omnibus Plan or any awards granted pursuant to the Omnibus Plan in order to permit awards to be transferred for normal estate settlement purposes.

A copy of the Omnibus Plan, as amended, is included as Schedule A to this Information Circular. Other than such administrative amendments noted above, there are no substantive changes to the Omnibus Plan.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution to approve the Omnibus Plan, as amended, and the unallocated Omnibus Plan Awards under the Omnibus Plan (the “**Omnibus Plan Resolution**”), the full text of which resolution is set out below. The Omnibus Plan, as amended, will continue in effect only if the Omnibus Plan Resolution is approved by a majority of the votes cast by shareholders at the Meeting. If re-confirmed by shareholders at the Meeting, the Omnibus Plan is required to be approved again by shareholders at the 2025 annual meeting of shareholders. If the shareholders at the Meeting do not pass the Omnibus Plan Resolution, the awards previously granted before November 5, 2022 will be valid; however, the Company will not be permitted to grant further awards without shareholder approval. The persons named in the form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of approving the Omnibus Plan Resolution. A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter.

### **Purpose**

The purposes of the Omnibus Plan are (a) to advance the interests of the Company by enhancing the ability of the Company and its subsidiaries to attract, motivate and retain employees, officers, directors, and consultants, which either of directors or officers may be consultants or employees, (b) to reward such persons for their sustained contributions and (c) to encourage such persons to take into account the long-term corporate performance of the Company.

### **Eligible Participants**

Pursuant to the terms of the Omnibus Plan, individuals who are: (a) employees of the Company or any of its subsidiaries, (b) persons who work on a full time, part-time or weekly basis for the Company or any of its subsidiaries providing services normally provided by an employee and who are under the control and direction of the Company or a subsidiary, (c) non-employee directors of the Company and (d) a consultant, employee or director of a consultant, who is engaged to provide bona fide services to the Company or any of its subsidiaries, other than in relation to a distribution of securities, and who provides such services under a written contract and who spends or will spend a significant amount of time and attention on the affairs and business of the Company or a subsidiary, are eligible to participate in the Omnibus Plan.

### **Types of Awards**

The Omnibus Plan provides for the grant of options (“**Options**”). All Options will be granted by an agreement evidencing the Options granted under the Omnibus Plan (an “**Option Agreement**”).

The Omnibus Plan provides for the grant of restricted share units (“**RSU**”). All RSUs will be granted by an agreement evidencing the RSUs granted under the Omnibus Plan (a “**RSU Agreement**”).

The Omnibus Plan provides for the grant of deferred share units (“**DSU**”). All DSUs will be granted by an agreement evidencing the DSUs granted under the Omnibus Plan (a “**DSU Agreement**”).

The Omnibus Plan provides for the grant of performance share units (“**PSU**”). All PSUs will be granted by an agreement evidencing the PSUs granted under the Omnibus Plan (a “**PSU Agreement**”).

The Options, RSUs, DSUs, and PSUs granted pursuant to the Omnibus Plan are collectively referred to as “**Omnibus Plan Awards**” in this Information Circular.

The Omnibus Plan provides for the grant of other share-based awards to participants (“**Other Share-Based Awards**”), which awards would include the grant of Shares. All Other Share-Based Awards grants are subject to TSX approval and will be granted by an agreement evidencing the Other Share-Based Awards granted under the Omnibus Plan.

### **Plan Administration**

The Omnibus Plan will be administered by the Board (the “**Plan Administrator**”). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the eligibility for Omnibus Plan Awards to be granted and the individuals to whom grants of Omnibus Plan Awards may be made;
- (b) make grants of Omnibus Plan Awards, in such amounts, to such persons and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Omnibus Plan Awards may be granted;
  - (ii) the conditions under which: (A) Omnibus Plan Awards may be granted to participants; or (B) Omnibus Plan Awards may be forfeited to the Company, including any conditions relating to the attainment of specified performance goals;
  - (iii) the number of shares subject to the Omnibus Plan Awards;
  - (iv) the exercise price to be paid by a participant in connection with the purchase of shares subject to any Options;
  - (v) whether restrictions or limitations are to be imposed on the shares issuable pursuant to grants of any Omnibus Plan Awards, and the nature of such restrictions or limitations, if any; and
  - (vi) any acceleration of exercisability, vesting, or waiver of termination regarding any Omnibus Plan Awards, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Option Agreements, RSU Agreements, DSU Agreements, and PSU Agreements (collectively, the “**Grant Agreements**”);
- (d) cancel, amend, adjust or otherwise change the type of or the terms and conditions of any Omnibus Plan Awards under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;
- (e) construe and interpret the Omnibus Plan and all Grant Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

## Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of shares issuable pursuant to Omnibus Plan Awards outstanding at any time under the Omnibus Plan shall not exceed 10% of the aggregate number of Shares outstanding from time to time on a non-diluted basis; provided that the acquisition of Shares by the Company for cancellation shall not constitute non-compliance with the Omnibus Plan for any Omnibus Plan Awards outstanding prior to such purchase of Shares for cancellation. As of the date of this Information Circular, there are 163,179,222 Shares outstanding. After deducting the 9,758,579 Shares (6.0% of the issued and outstanding Shares of the Company as of the date hereof) reserved for issuance under existing incentive stock options, there are 6,559,343 Shares (4.0% of the issued and outstanding Shares of the Company as of the date hereof) available for issuance in aggregate under the Omnibus Plan as of the date hereof. The Omnibus Plan is considered to be an “evergreen” plan, since the Shares covered by Omnibus Plan Awards which have been exercised or terminated will be available for subsequent grants under the Omnibus Plan and the total number of Omnibus Plan Awards available to grant increases as the number of issued and outstanding Shares increases. Shareholder approval of the Omnibus Plan will be required every three years.

The aggregate number of Shares, (a) issuable to insiders (as defined in the Omnibus Plan) at any time under all of the Company’s security based compensation arrangements may not exceed 10% of the Company’s total issued and outstanding Shares; and (b) issued to insiders within any one-year period, under all of the Company’s security based compensation arrangements may not exceed 10% of the Company’s total issued and outstanding Shares; provided that the acquisition of Shares by the Company for cancellation shall not constitute non-compliance with the Omnibus Plan for any Omnibus Plan Awards outstanding prior to such purchase of Shares for cancellation.

## Blackout Period

If a date of grant occurs or an Option expires during, or within 10 business days after, a routine or special trading black-out period imposed by the Company to restrict trades in the Company’s securities, then, notwithstanding any other provision of the Omnibus Plan, unless the delayed expiration would result in tax penalties, the Option shall expire or the effective date of grant will be, 10 business days after the trading black-out period is lifted by the Company. The Market Price with respect to any such Option shall be calculated based on the five business days immediately preceding the effective date of grant.

## Options

An Option entitles a holder thereof to purchase a Share at an exercise price set at the time of the grant, which exercise price must in all cases be not less than the Market Price on the date of grant (the “**Exercise Price**”). Market Price is defined as the volume weighted average trading price of the Shares on the Toronto Stock Exchange (the “**TSX**”) for the five trading days immediately preceding the date of grant (or, if such Shares are not then listed and posted for trading on the TSX or such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the TSX , the Market Price shall not be less than the market price, as calculated under the policies of the TSX and further provided that with respect to an award made to a U.S. Taxpayer (as defined in the Omnibus Plan), such participant and the number of Shares subject to such Omnibus Plan Award shall be identified by the Board or the Committee (as defined in the Omnibus Plan) prior to the start of the applicable five trading day period (“**Market Price**”). In the event that such Shares are not listed and posted for trading on any exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Omnibus Plan Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code (as defined in the Omnibus Plan).

The term of each Option will be fixed by the Plan Administrator, but may not exceed 10 years from the grant date.

## Restricted Share Units

An RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share for each RSU after a specified vesting period determined by the Plan Administrator, in its sole discretion. Upon settlement, holders will receive (a) one fully paid and non-assessable Share in respect of each vested RSU, (b) subject to the approval of the Plan Administrator, a cash payment, or (c) a

combination of Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined by multiplying the number of RSUs redeemed for cash by the Market Price on the date of settlement.

The number of RSUs granted at any particular time will be calculated by dividing (i) the amount of any compensation that is to be paid in the RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the date of grant.

### **Deferred Share Units**

A DSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share for each DSU on a future date, generally upon termination of service with the Company. Upon settlement, holders will receive (a) one fully paid and non- assessable Share in respect of each vested DSU, (b) subject to the approval of the Plan Administrator, a cash payment, or (c) a combination of Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined with reference to the Market Price in the same manner as with RSUs.

The number of DSUs granted at any particular time will be calculated by dividing (i) the amount of any compensation that is to be paid in the DSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the date of grant.

### **Performance Share Units**

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share for each PSU on a future date, generally upon the achievement of certain performance goals within the Company as determined by the Plan Administrator. Upon settlement, holders will receive (a) one fully paid and non- assessable Share in respect of each vested PSU, (b) subject to the approval of the Plan Administrator, a cash payment or (c) a combination of Shares and cash as contemplated by paragraphs (a) and (b). The cash payment is determined with reference to the Market Price in the same manner as with RSUs.

### **Dividend Equivalents**

RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the Record Date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

### **Vesting and Exercisability**

The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Omnibus Plan Awards. The vesting schedule of any Omnibus Plan Awards granted pursuant to the Omnibus Plan shall be stated in the Grant Agreement for such Omnibus Plan Awards.

### **Cashless Exercise**

A participant may, in lieu of exercising an Option for cash, elect to surrender such Option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (a) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (b) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, (the “**In-the-Money Amount**”) divided by the Market Price per Share as of the date such Option (or portion thereof) is exercised.

The Company shall satisfy payment of the In-the-Money Amount by delivering to the participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.

## **Term**

Although the Omnibus Plan does not stipulate a term for awards granted thereunder, other than Options, they must vest and settle in accordance with the provisions of the Omnibus Plan and any applicable Grant Agreement, which Grant Agreement may include an expiry date for a specific award.

## **Effect of Termination on Awards**

At such time that a participant ceases to be a director, employee, consultant or officer of the Company, which either of directors or officers may be consultants or employees, or any subsidiary of the Company due to the resignation or termination of a participant's employment with the Company with cause, all unvested Omnibus Plan Awards held by the participant shall expire and immediately terminate for no consideration.

At such time that a participant ceases to be a director, employee, consultant or officer of the Company, which either of directors or officers may be consultants or employees, or any subsidiary of the Company due to the termination of a participant's employment with the Company without cause, any unvested Omnibus Plan Awards held by the participant shall immediately terminate unless otherwise indicated in the applicable Grant Agreement. Vested Omnibus Plan Awards must be exercised or surrendered to the Company by the participant before the earlier of: (A) the expiry date of such Omnibus Plan Award (as agreed upon when the Omnibus Plan Award was granted); and (B) the date that is 90 days after the Termination Date (as defined in the Omnibus Plan), unless otherwise indicated in the applicable Grant Agreement.

A participant's eligibility to receive further grants of Omnibus Plan Awards under the Omnibus Plan shall cease at such time that a participant ceases to be a director, employee, consultant officer or manager of the Company or any subsidiary of the Company.

Unless the Plan Administrator, in its discretion, otherwise determines, Omnibus Plan Awards shall not be affected by a change of employment or consulting agreement or arrangement or directorship within or among the Company or a subsidiary of the Company provided that the participant continues to be a director, employee or consultant, as applicable, of the Company or a subsidiary of the Company.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, at any time prior to or following the events contemplated above, or in an employment agreement, Grant Agreement or other written agreement between the Company or a subsidiary of the Company and the participant, permit the acceleration of vesting of any or all Omnibus Plan Awards or waive termination of any or all Omnibus Plan Awards, in the manner and on the terms as may be authorized by the Plan Administrator.

Where a participant becomes disabled, any Option or other Award held by such participant that has not vested as of the date of the disability of such participant shall vest on such date and may be exercised or surrendered to the Company by the participant at any time until the expiry date of such award.

Where a participant's employment, consulting agreement or arrangement is terminated by reason of death, any Option or other Award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may be exercised or surrendered to the Company by the participant at any time during the period that terminates the earlier of: (a) the expiry date of such award; and (b) one year from the date of death of such participant.

## **Change in Control**

Except as may be set forth in an employment agreement, Grant Agreement or other written agreement between the Company or a subsidiary of the Company and the participant, the Plan Administrator may, without the consent of any participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Omnibus Plan Awards into or for rights of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Omnibus Plan);

- (b) outstanding Omnibus Plan Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Omnibus Plan Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; or
- (c) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Omnibus Plan Awards similarly in the transaction (subject to applicable stock exchange approval, if required). Notwithstanding the foregoing, in the case of Omnibus Plan Awards held by a participant that is a resident of Canada for the purposes of the Tax Act (a “**Canadian Taxpayer**”), the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to the terms of a change of control) any property in connection with a change of control other than rights to acquire shares of a Company or units of a “mutual fund trust” (as defined in the Tax Act) of the Company or a “qualifying person” (as defined in the Tax Act) that does not deal at arm’s length (for the purposes of the Tax Act) with the Company, as applicable, at the time such rights are issued or granted.

### **Assignability**

Except as required by law, the rights of a participant under the Omnibus Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged unless otherwise approved by the Plan Administrator.

### **Amendment, Suspension or Termination of the Omnibus Plan**

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Omnibus Plan or any Omnibus Plan Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided however, that: (a) no such amendment, modification, change, suspension or termination of the Omnibus Plan or any Omnibus Plan Awards granted thereunder may materially impair any rights of a participant or materially increase any obligations of a participant under the Omnibus Plan without the consent of the participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or exchange requirements; and (b) any amendment that would cause an Omnibus Plan Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(B)(i)(II) of the Code (as defined in the Omnibus Plan) shall be null and void ab initio with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan for the purposes of making:

- any amendments to the general vesting provisions of each Omnibus Plan Award;
- any amendment regarding the effect of termination of a participant’s employment or engagement;
- any amendments to add covenants of the Company for the protection of participants, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants;
- any amendments consistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or
- any such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or

manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

Notwithstanding the foregoing and subject to any rules of the exchange, shareholder approval will be required for any amendment, modification or change that:

- increases the percentage of Shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- increases or removes the limits on Shares issuable or issued to insiders;
- reduces the Exercise Price of an Option except pursuant to the provisions of the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- extends the term of an Omnibus Plan Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period of the Company);
- permits an Omnibus Plan Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period of the Company);
- increases or removes the non-employee director participation limits;
- changes the eligible participants of the Omnibus Plan;
- permits Omnibus Plan Awards to be transferable or assignable other than for normal estate settlement purposes; or
- deletes or reduces the range of amendments which require approval of shareholders.

### **TSX Approval**

The TSX requires shareholder approval of security-based compensation arrangements that involve the issuance from treasury or potential issuance from treasury of securities of an issuer. The Omnibus Plan is an “evergreen” equity based compensation plan pursuant to the rules of the TSX and therefore shareholder approval will be required every three years in respect of the Omnibus Plan. The Omnibus Plan Resolution must be passed by the majority of the votes cast by Shareholders present or represented by proxy who are entitled to vote at the Meeting.

If the shareholders at the Meeting do not pass the Omnibus Plan Resolution, the Omnibus Plan Awards previously granted before November 5, 2022 will be valid; however, the Company will not be permitted to grant further Omnibus Plan Awards without shareholder approval.

### **Omnibus Plan Resolution**

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the Omnibus Plan Resolution. The full text of the Omnibus Plan Resolution is as follows:

“WHEREAS the Board of Directors (the “**Board**”) of Patriot One Technologies Inc. (the “**Company**”) adopted a share based compensation plan, as amended (the “**Omnibus Plan**”), which does not have a fixed maximum number of common shares issuable;

AND WHEREAS the maximum number of common shares of the Company (“**Shares**”) reserved for issuance pursuant to awards granted under the Omnibus Plan, including any options granted under previous stock

option plans outstanding as of the date of the Omnibus Plan, shall not exceed 10% of the issued and outstanding common shares of the Company from time to time;

AND WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangements which does not have a fixed number of maximum securities issuable, be approved every three (3) years.

BE IT RESOLVED, as an ordinary resolution of the shareholders of the Company, that:

1. the Omnibus Plan, as amended, as detailed in the management information circular of the Company dated September 30, 2022 (the “**Information Circular**”), is hereby re-approved;
2. all unallocated awards under the Omnibus Plan be and are hereby approved;
3. the Company is hereby authorized to continue to reserve for issuance under the Omnibus Plan at any time a maximum of 10% of the outstanding common shares of the Company for issuance from time to time pursuant to the exercise or settlement of awards thereunder;
4. the Company is hereby authorized to continue granting awards under the Omnibus Plan until November 17, 2025, which is the date that is three (3) years from the date hereof; and
5. any one director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions.”

#### **APPROVAL OF THE ADVANCE NOTICE POLICY**

On June 9, 2022, the board of directors of the Company adopted an advance notice policy (the “**Advance Notice Policy**”) with immediate effect, a copy of which is attached to this Information Circular as Schedule B. In order for the Advance Notice Policy to remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified, confirmed and approved at the Meeting, as set forth more fully below.

#### **Purpose of the Advance Notice Policy**

The directors of the Company are committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

#### **Terms of the Advance Notice Policy**

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy, a copy of which is attached as Schedule B.

The terms of the Advance Notice Policy are summarized below:

- The Advance Notice Policy provides that advance notice to the Company must be made in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company,

including at annual meetings of shareholders or at any special meeting of shareholders if one of the purposes of for which the special meeting was called is the election of directors.

- Among other things, the Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the CEO of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the CEO of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.
- In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.
- In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.
- The board of directors of the Company may, in its sole discretion, waive any requirement of the Advance Notice Policy.

### **Confirmation and Approval of Advance Notice Policy by Shareholders**

If the Advance Notice Policy is approved at the Meeting, the Advance Notice Policy will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. Thereafter, the Advance Notice Policy will be subject to an annual review by the board of directors of the Company, and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

If the Advance Notice Policy is not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution (the “**Advance Notice Policy Resolution**”):

“BE IT RESOLVED, as an ordinary resolution of the shareholders of the Company, that:

1. The Company’s Advance Notice Policy (the “**Advance Notice Policy**”) as set forth in the Information Circular dated September 30, 2022 be and is hereby ratified, confirmed and approved;
2. The board of directors of the Company be authorized in its absolute discretion to administer the Advance Notice Policy and amend or modify the Advance Notice Policy in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, so as to meet industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

The Company's board of directors recommends a vote "FOR" the approval of the Advance Notice Policy Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Advance Notice Policy Resolution.

### **ADDITIONAL INFORMATION**

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Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and Management's Discussion and Analysis for the fiscal years ended July 31, 2022, which will be filed on SEDAR on or before October 20, 2022.

Under NI 51-102, any person or company who wishes to receive interim financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. If you wish to obtain copies of such documents without charge please send your request to us at Suite 208 - 128 W 6th Ave, Vancouver, BC V5Y 1K7.

### **QUESTIONS AND FURTHER ASSISTANCE**

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All questions regarding the information contained in this Information Circular or requests for assistance in completing the form of proxy can be directed to the Company toll-free at 1-888-728-1832, or by email at [AGM@patriot1tech.com](mailto:AGM@patriot1tech.com).

### **DIRECTORS' APPROVAL**

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The Board has approved the contents and the delivery of the Information Circular to its shareholders.

DATED at Vancouver, British Columbia, as of the 30<sup>th</sup> day of September, 2022.

BY ORDER OF THE BOARD

/s/ Peter van der Gracht

**Peter van der Gracht**  
**Chair of the Board**

**SCHEDULE A**

**OMNIBUS EQUITY INCENTIVE PLAN**

(see attached)



**PATRIOT ONE TECHNOLOGIES INC.**

**OMNIBUS EQUITY INCENTIVE PLAN**

**September 17, 2022**

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**Patriot One Technologies Inc.**  
**Omnibus Equity Incentive Plan**

**ARTICLE 1**  
**PURPOSE**

**1.1 Purpose**

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

**ARTICLE 2**  
**INTERPRETATION**

**2.1 Definitions**

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

“**Affiliate**” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

“**Award**” means any Option, Deferred Share Unit, Restricted Share Unit, Performance Share Unit or Other Share-Based Award granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

“**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;

“**Canadian Taxpayer**” means a Participant that is resident in Canada for purposes of the Tax Act;

“**Cash Fees**” has the meaning set forth in Subsection 5.1(a);

“**Cause**” means, with respect to a particular Employee:

- (a) “cause” as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
- (b) in the event there is no written or other applicable employment agreement between the Corporation or a subsidiary of the Corporation or “cause” is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or

- (c) in the event neither clause (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual’s employment without notice or pay in lieu thereof;

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or a wholly-owned subsidiary of the Corporation) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Securities Act* (British Columbia)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a wholly-owned subsidiary of the Corporation;
- (c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned subsidiaries of the Corporation prior to such event;
- (d) the occurrence of a transaction requiring approval of the Corporation’s shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Corporation);
- (e) any other event which the Board determines to constitute a change in control of the Corporation; or
- (f) individuals who comprise the Board as of the last annual meeting of shareholders of the Corporation (the “**Incumbent Board**”) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation’s shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board;

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred pursuant to clauses (a), (b), (c) or (d) above if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the “**Surviving Entity**”) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (“**voting power**”) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the “**Parent Entity**”) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity,

the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a “**Non-Qualifying Transaction**” and, following the Non-Qualifying Transaction, references in this definition of “Change in Control” to the “Corporation” shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the “Board” shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Commencement Date**” has the meaning set forth in Section 10.1(e);

“**Committee**” has the meaning set forth in Section 3.2;

“**Consultant**” means an individual consultant or an employee or director of a consultant entity, other than a Participant that is an Employee, who:

- (a) is engaged to provide services on a *bona fide* basis to the Corporation or a subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation or a subsidiary of the Corporation;
- (b) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation;

“**Control**” means:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means Patriot one Technologies Inc.;

“**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it

grants the Award or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means any right granted under Article 5 of this Plan;

“**Director**” means a director of the Corporation who is not an Employee;

“**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“**Disabled**” or “**Disability**” means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six months or for any period of six months in any consecutive twelve month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

“**Effective Date**” means the effective date of this Plan, as determined pursuant to Section 14.14;

“**Elected Amount**” has the meaning set forth in Subsection 5.1(a);

“**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;

“**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 5.1(b);

“**Election Notice**” has the meaning set forth in Subsection 5.1(b);

“**Employee**” means an individual who:

- (a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary,

and, for greater certainty, includes any Executive Chairman of the Corporation.

“**Exchange**” means the TSX and any other exchange on which the Shares are or may be listed from time to time;

“**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;

“**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

“**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

“**Insider**” has the meaning given to such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time;

“**Market Price**” at any date in respect of the Shares shall be the volume weighted average

trading price of the Shares on the TSX, for the five trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the TSX, the Market Price shall not be less than the market price, as calculated under the policies of the TSX; and provided, further, that with respect to an Award made to a U.S. Taxpayer, such Participant and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

“**Option**” means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

“**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;

“**Other Share-Based Award**” means any right granted under Article 8;

“**Participant**” means an Employee, Consultant or Director to whom an Award has been granted under this Plan;

“**Participant’s Employer**” means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant’s Employer;

“**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

“**Performance Share Unit**” or “**PSU**” means any right granted under Article 7 of this Plan;

“**Person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Plan**” means this Omnibus Equity Incentive Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

“**Retirement**” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable;

“**Section 409A of the Code**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation;

“**Share**” means one common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary, including, without limitation, Patriot One Detection Ltd., Patriot One (UK) Limited, Patriot One Detection Technologies Inc. and EhEye Inc., provided that, in the case of a Canadian Taxpayer, the issuer is related (for purposes of the Tax Act) to the Corporation;

“**Tax Act**” has the meaning set forth in Section 4.5(d);

“**Termination Date**” means:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation in a written employment agreement, or other written agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no written employment agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which an Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant;
- (b) in the case of a Consultant whose consulting agreement or arrangement with the Corporation or a subsidiary of the Corporation, as the case may be, terminates, the date that is designated by the Corporation or the subsidiary of the Corporation (as the case may be), as the date on which the Participant’s consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and “Termination Date” specifically does not mean the date on which any period of notice of termination that the Corporation or the subsidiary of the Corporation (as the case may be) may be required to provide to the Participant under the terms of the consulting agreement or arrangement expires; or
- (c) in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a “separation from service” with the Corporation or a subsidiary of the Corporation within the meaning of Section 409A of the Code.

“**TSX**” means the Toronto Stock Exchange;

“**U.S.**” means the United States of America; and

“**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject totaxation under the applicable U.S. tax laws.

## **2.2 Interpretation**

- (a) Whenever the Plan Administrator exercises discretion in the administration of thisPlan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any paymentis to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediatelypreceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

## **ARTICLE 3 ADMINISTRATION**

### **3.1 Administration**

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, Deferred Share Units, Restricted Share Units, Performance Share Units or Other Share-Based Awards), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which:
    - (A) Awards may be granted to Participants; or

- (B) Awards may be forfeited to the Corporation,
  - including any conditions relating to the attainment of specified Performance Goals;
  - (iii) the number of Shares to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
  - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
  - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

### **3.2 Delegation to Committee**

- (a) The initial Plan Administrator shall be the Compensation and Human Resources Committee of the Board (the “**Committee**”).
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board, which need not be the Committee all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

### **3.3 Determinations Binding**

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and all subsidiaries of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

### **3.4 Eligibility**

All Employees, Consultants and Directors are eligible to participate in the Plan, subject to Section 10.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

### **3.5 Plan Administrator Requirements**

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

### **3.6 Total Shares Subject to Awards**

- (a) Subject to adjustment as provided for in Article 11 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan, including any options granted under previous stock option plans outstanding as of the date of this Plan, shall not exceed 10% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan are exercised, terminate or are cancelled for any reason prior to exercise in full, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

### **3.7 Limits on Grants of Awards**

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
  - (i) issuable to Insiders at any time under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares; and

- (ii) issued to Insiders within any one year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall not constitute non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation.

### **3.8 Award Agreements**

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

### **3.9 Non-transferability of Awards**

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

## **ARTICLE 4 OPTIONS**

### **4.1 Granting of Options**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

### **4.2 Exercise Price**

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

### **4.3 Term of Options**

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

### **4.4 Vesting and Exercisability**

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.

- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

#### **4.5 Payment of Exercise Price**

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by the Securities Laws, or any combination of the foregoing methods of payment.
- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, a Participant shall receive upon the exercise of an Option in accordance with the terms of this Plan (instead of payment of the Exercise Price and receipt of Shares issuable upon payment of the Exercise Price) the number of Shares equal to:
  - (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less
  - (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, divided by
  - (iii) the Market Price per Share as of the date such Option (or portion thereof) is exercised.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation.
- (d) If a Participant exercises Options through the cashless exercise process set out in Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such exercise if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such exercise, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

### **ARTICLE 5 DEFERRED SHARE UNITS**

#### **5.1 Granting of DSUs**

- (a) The Plan Administrator may fix, from time to time, a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in

the grant of additional DSUs pursuant to this Article 5. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”).

- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31<sup>st</sup> in the year prior to the year to which such election is to apply (other than for Director Fees payable for the 2022 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the effective date of the Plan with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of an existing Electing Person who is a U.S. Taxpayer as of the Effective Date of this Plan, an initial Election Notice may be filed by the date that is 30 days from the Effective Date only with respect to compensation paid for services to be performed after the Election Date; and, in the case of a newly appointed Electing Person who is a U.S. Taxpayer, an Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the Election Date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 5.1(d), the election of an Electing Person under Subsection 5.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs in lieu of cash for any calendar year is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule C is delivered.
- (e) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

## **5.2 DSU Account**

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

## **5.3 Vesting of DSUs**

Except as otherwise determined by the Plan Administrator, DSUs shall vest immediately upon grant.

## **5.4 Settlement of DSUs**

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU Award be settled prior to, or later than one (1) year following, the date of the applicable Participant's separation from service. In the case of a Participant (other than a Canadian Participant), in no event shall a DSU Award be settled later than three (3) years following the date of the applicable Participant's separation from service. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of separation from service, subject to the delay that may be required under Section 12.6(d) below in the case of a U.S. Participant. Subject to Section 12.6(d) below in the case of a U.S. Participant, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant shall redeem each vested DSU for:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.

## **ARTICLE 6 RESTRICTED SHARE UNITS**

### **6.1 Granting of RSUs**

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.

- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

## **6.2 RSU Account**

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **6.3 Vesting of RSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs.

## **6.4 Settlement of RSUs**

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
- (ii) a cash payment, or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 6.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 6.4 any later than the final Business Day of the third calendar year following the year in which the RSU is granted.

# **ARTICLE 7 PERFORMANCE SHARE UNITS**

## **7.1 Granting of PSUs**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in

Section 7.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

## **7.2 Terms of PSUs**

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all set forth in the applicable Award Agreement.

## **7.3 Performance Goals**

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

## **7.4 PSU Account**

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **7.5 Vesting of PSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs.

## **7.6 Settlement of PSUs**

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the

Corporation's payroll in the pay period that the settlement date falls within.

- (d) Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 7.6 any later than the final Business Day of the third calendar year following the year in which the PSU is granted.

## **ARTICLE 8 OTHER SHARE-BASED AWARDS**

The Plan Administrator may, from time to time, subject to TSX approval, the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Other Share-Based Awards to any Participant. The terms and conditions of each Other Share-Based Award grant shall be evidenced by an Award Agreement. Each Other Share-Based Award shall consist of a right (1) which is other than an Award or right described in Article 4, Article 5, Article 6, and Article 7 above, and (2) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards. Shares or other securities delivered pursuant to a purchase right granted under this Article 8 will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Plan Administrator shall determine in its discretion.

## **ARTICLE 9 ADDITIONAL AWARD TERMS**

### **9.1 Dividend Equivalents**

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, as part of a Participant's grant of DSUs, PSUs or RSUs (as applicable) and in respect of the services provided by the Participant for such original grant, DSUs, PSUs and RSUs (as applicable) shall be credited with dividend equivalents in the form of additional DSUs, PSUs or RSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (i) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of DSUs, PSUs or RSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (ii) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the DSUs, PSUs or RSUs, as applicable, to which they relate, and shall be settled in accordance with Section 5.4 or 6.4, as applicable.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

### **9.2 Blackout Period**

In the event that the Date of Grant occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Corporation exists, the effective Date of Grant for such Award, or expiry of such Award, as the case may be, will be no later than 10 business days after which there is no longer such undisclosed material change or material fact, and the Market Price with respect to the grant of such Award shall be calculated based on the five business days immediately preceding the effective Date of Grant.

### **9.3 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or an Affiliate of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or an Affiliate of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

### **9.4 Recoupment**

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required

by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

## **ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES**

### **10.1 Termination of Employment, Services or Director**

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then any unvested Options or other Awards shall immediately terminate on the Termination Date, unless otherwise indicated in the applicable Award Agreement(s). Options or other Awards which have vested on the Termination Date may be exercised surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, unless otherwise indicated in the applicable Award Agreement(s). Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon

the termination of such period;

- (c) where a Participant becomes Disabled, then any Option or other Award held by the Participant that has not vested as of the date of the Disability of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by the Participant at any time until the Expiry Date of such Award. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Option or other Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the date of the death of such Participant. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to Retirement, then any Option or other Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the first anniversary of the Participant's date of Retirement. Any Option or other Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
  - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
  - (ii) the date of the death, Disability or Retirement of the Participant; and
- (g) notwithstanding Subsection 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

## **10.2 Discretion to Permit Acceleration**

Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior

to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

## **ARTICLE 11**

### **EVENTS AFFECTING THE CORPORATION**

#### **11.1 General**

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

#### **11.2 Change in Control**

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) The Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Subsection 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 11.2(a)) any property in connection with a Change of Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Subsection 11.2(a), and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards granted under this Plan (other

than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, or in the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Corporation for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

- (c) It is intended that any actions taken under this Section 11.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

### **11.3 Reorganization of Corporation's Capital**

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

### **11.4 Other Events Affecting the Corporation**

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

### **11.5 Immediate Acceleration of Awards**

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards.

### **11.6 Issue by Corporation of Additional Shares**

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

### **11.7 Fractions**

No fractional Shares will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this Article 11, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

## **ARTICLE 12**

### **U.S. TAXPAYERS**

#### **12.1 Provisions for U.S. Taxpayers**

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO.

#### **12.2 ISOs**

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 100,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the Corporation, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code.

#### **12.3 ISO Grants to 10% Shareholders**

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

#### **12.4 \$100,000 Per Year Limitation for ISOs**

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation) exceeds \$100,000, such excess ISOs shall be treated as non-qualified stock options.

#### **12.5 Disqualifying Dispositions**

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

#### **12.6 Section 409A of the Code**

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that

the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

## **12.7 Section 83(b) Election**

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

## **ARTICLE 13 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

### **13.1 Amendment, Suspension, or Termination of the Plan**

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

### **13.2 Shareholder Approval**

Notwithstanding Section 13.1 and subject to any rules of the Exchange, approval of the holders of the Shares

shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a);
- (c) reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- (e) permits an Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person other than for normal estate settlement purposes, provided, however, that nothing in this Section 13.2(g) shall confer a right to transfer any Award absent shareholder approval unless otherwise provided herein;
- (h) changes the eligible participants of the Plan; or
- (i) deletes or reduces the range of amendments which require approval of shareholders under this Section 13.2.

### **13.3 Permitted Amendments**

Without limiting the generality of Section 13.1, but subject to Section 13.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 10;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and

Directors; or

- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 14 MISCELLANEOUS**

### **14.1 Legal Requirement**

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

### **14.2 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

### **14.3 Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

### **14.4 Corporate Action**

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

### **14.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Plan shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the Plan shall prevail.

### **14.6 Anti-Hedging Policy**

By accepting the Option or Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

### **14.7 Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by

the Corporation in order to administer the Plan (including as to whether the circumstances described in Section 10.1(e) or 12.3 exist). Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

#### **14.8 Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

#### **14.9 International Participants**

With respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

#### **14.10 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

#### **14.11 General Restrictions on Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

#### **14.12 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

#### **14.13 Notices**

All written notices to be given by a Participant to the Corporation shall be delivered personally, or by mail, postage prepaid, addressed as follows:

Patriot One Technologies Inc.  
400 - 257 Adelaide Street W.  
Toronto, ON  
M5H 1X9

Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and

if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

#### **14.14 Effective Date**

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

#### **14.15 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

#### **14.16 Submission to Jurisdiction**

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.



## SCHEDULE A

### PATRIOT ONE TECHNOLOGIES INC. EQUITY INCENTIVE PLAN (THE "PLAN")

#### ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive \_\_\_\_\_% of my Cash Fees in the form of DSUs in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)



**SCHEDULE B**

**PATRIOT ONE TECHNOLOGIES INC.  
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Name of Participant)  
\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.



**SCHEDULE C**

**PATRIOT ONE TECHNOLOGIES INC.  
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs  
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

## SCHEDULE B

### ADVANCE NOTICE POLICY

#### INTRODUCTION

Patriot One Technologies Inc. (the “**Company**”) is committed to: (i) facilitating an orderly and efficient process for the election of directors at annual general and special meetings; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allowing shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

The purpose of this advance notice policy (the “**Policy**”) is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. This Policy establishes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual general or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Company (the “**Board**”) that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This policy will be subject to an annual review by the Board, and will reflect changes as required by securities regulatory authorities or stock exchanges, or so as to meet industry standards from time to time.

#### NOMINATIONS OF DIRECTORS

1. Only persons who are eligible under the *Business Corporations Act* (British Columbia) (the “**Act**”) and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of persons for election to the Board may be made only:
  - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act, or pursuant to a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (c) by any person (a “**Nominating Shareholder**”):
    - (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
    - (ii) who complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable law, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chief Executive Officer of the Company in accordance with paragraph 7.
3. To be timely, a Nominating Shareholder’s notice to the Chief Executive Officer of the Company must be made:

- (a) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first Public Announcement (as defined in paragraph 6 of this Policy) of the date of the annual general meeting was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

4. To be in proper written form, a Nominating Shareholder’s notice to the Chief Executive Officer of the Company must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
  - (i) the name, business address and residential address of the person;
  - (ii) the current principal occupation, business or employment of the person, the name and principal business of any company in which such employment is carried on, and similar information as to all the principal occupations, businesses or employments within the five preceding years;
  - (iii) the class and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
  - (iv) any other information relating to the person that would be required to be disclosed in a proxy circular or a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in paragraph 6 of this Policy) (including such person’s written consent to being named in the proxy circular as a nominee and to serving as a director if elected); and
- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to

determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions of this Policy and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:
  - (a) “**Public Announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com); and
  - (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada.
7. Notwithstanding any other provision of this Policy, notice given to the Chief Executive Officer of the Company pursuant to this Policy may only be given by personal delivery or by facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Chief Executive Officer at the mailing address on the Company’s SEDAR profile or sent by facsimile transmission to the fax number on the Company’s SEDAR profile (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

#### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board on June 9, 2022 (the “**Effective Date**”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by ordinary resolution of shareholders of the Company present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.